# Underwriters Laboratories Inc.

**Reports on Federal Awards in Accordance with the Uniform Guidance**

**For the fiscal year ended December 31, 2025**

**EIN: 36-1892375**

# Underwriters Laboratories Inc.
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# Consolidated Financial Statements and Supplemental Information

## Report of Independent Auditors

To the Board of Trustees of Underwriters Laboratories Inc.

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the accompanying consolidated financial statements of Underwriters Laboratories Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of changes in net assets and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (except as noted below). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The PricewaterhouseCoopers affiliated firm in China performed audit procedures for UL - CCIC Company Limited comprising approximately 2% of total assets of the Company for the year ended December 31, 2025. The PricewaterhouseCoopers affiliated firms in China and Japan performed audit procedures for UL - CCIC Company Limited, and UL Japan, Inc., comprising approximately 3% of total assets of the Company for the year ended December 31, 2024. Personnel of the firms, excluding United States personnel, do not participate in a continuing education program that fully satisfies the requirement set forth in Chapter 4, paragraphs 4.16-4.18 of *Government Auditing Standards*. However, these firms do participate in a continuing education program applicable to their countries.

Further, the PricewaterhouseCoopers affiliated firm referred to above does not have an external quality review by an unaffiliated audit organization as required by Chapter 5, paragraphs 5.60-5.62 of *Government Auditing Standards*, since no such program is offered by a professional organizations in the country. However, these offices participate in the PricewaterhouseCoopers worldwide internal control review program, which requires the office to be periodically subjected to an extensive quality control review by partners and managers from other PricewaterhouseCoopers affiliated firms.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### *Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended December 31, 2025 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* *for Federal Awards* (Uniform Guidance) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2026 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended December 31, 2025. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Chicago, Illinois
May 12, 2026

# Underwriters Laboratories Inc.
## Consolidated Balance Sheets

| (in millions) | As of December 31, 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 488 | $ 360 |
| Accounts receivable, net of allowance of $12 and $9 | 428 | 384 |
| Contract assets, net of allowance of $2 and $1 | 204 | 182 |
| Other current assets | 85 | 67 |
| Total current assets | 1,205 | 993 |
| Investments | 6,550 | 4,662 |
| Property, plant and equipment, net of accumulated depreciation of $897 and $783 | 749 | 677 |
| Goodwill | 656 | 633 |
| Intangible assets, net of accumulated amortization of $256 and $239 | 48 | 58 |
| Operating lease right-of-use assets | 195 | 200 |
| Deferred income taxes | 94 | 108 |
| Capitalized software, net of accumulated amortization of $480 and $430 | 110 | 132 |
| Other assets | 141 | 137 |
| **Total Assets** | $ 9,748 | $ 7,600 |
| **Liabilities and Net Assets** | | |
| Current liabilities: | | |
| Current portion of long-term debt | $ — | $ 50 |
| Accounts payable | 196 | 186 |
| Accrued compensation and benefits | 303 | 273 |
| Operating lease liabilities - current | 46 | 40 |
| Contract liabilities | 174 | 165 |
| Other current liabilities | 79 | 52 |
| Total current liabilities | 798 | 766 |
| Long-term debt | 491 | 692 |
| Pension and postretirement benefit plans | 134 | 196 |
| Operating lease liabilities | 170 | 176 |
| Other liabilities | 94 | 86 |
| **Total Liabilities** | 1,687 | 1,916 |
| Net assets without donor restrictions attributable to: | | |
| Underwriters Laboratories Inc. | 7,532 | 5,368 |
| Non-controlling interests | 529 | 316 |
| **Total Net Assets without Donor Restrictions** | 8,061 | 5,684 |
| **Total Liabilities and Net Assets** | $ 9,748 | $ 7,600 |

The accompanying notes are an integral part of the Consolidated Financial Statements

# Underwriters Laboratories Inc.
## Consolidated Statements of Changes in Net Assets

| (in millions) | Year Ended December 31, 2025 | Year Ended December 31, 2024 |
|---|---|---|
| Operating revenues | $ 3,080 | $ 2,885 |
| Operating expenses | 2,725 | 2,562 |
| Operating income | 355 | 323 |
| Interest and dividend income, net of fees | 57 | 61 |
| Unrealized gain on investments, net | 672 | 323 |
| Realized gain on investments, net | 296 | 39 |
| Interest expense | (41) | (55) |
| Other (expense) income, net | (15) | 4 |
| Income tax expense | (125) | (70) |
| Non-operating activity | 844 | 302 |
| Foreign currency translation gain (loss) | 48 | (39) |
| Pension and postretirement benefit plans, net of tax of $8 and $5 | 25 | 18 |
| Proceeds from public offerings | 1,089 | 2,124 |
| Stock-based compensation | 66 | 45 |
| Dividend to non-controlling interest | (50) | (33) |
| Change in net assets without donor restrictions | 2,377 | 2,740 |
| Less: change in net assets without donor restrictions attributable to non-controlling interests | 213 | 292 |
| **Change in net assets without donor restrictions attributable to Underwriters Laboratories Inc.** | $ 2,164 | $ 2,448 |
| | | |
| **Net assets without donor restrictions** | | |
| Beginning of year | 5,684 | 2,944 |
| End of year | $ 8,061 | $ 5,684 |

The accompanying notes are an integral part of the Consolidated Financial Statements

# Underwriters Laboratories Inc.
## Consolidated Statements of Cash Flows

| | Year Ended December 31, | |
|---|---|---|
| (in millions) | 2025 | 2024 |
| **Operating activities** | | |
| Change in net assets without donor restrictions | $ 2,377 | $ 2,740 |
| Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities | | |
| Proceeds from public offerings | (1,089) | (2,124) |
| Foreign currency translation (gain) loss | (48) | 39 |
| Pension and postretirement benefit plans gain, net of tax | (25) | (18) |
| Unrealized (gain) on investments, net | (672) | (323) |
| Realized (gain) on investments, net | (296) | (39) |
| Dividend to non-controlling interest | 50 | 33 |
| Depreciation and amortization | 198 | 180 |
| Allowance for credit losses | 11 | 9 |
| Loss on foreign exchange transactions | 10 | 11 |
| Gain on divestitures | — | (24) |
| Stock-based compensation | (19) | (22) |
| Deferred income taxes | 2 | (6) |
| Other, net | 8 | 11 |
| Changes in assets and liabilities, excluding the effects of acquisitions and divestitures | | |
| Accounts receivable | (35) | (33) |
| Contract and other assets | (22) | 5 |
| Accounts payable | (6) | (4) |
| Accrued expenses | 81 | 11 |
| Pension and postretirement benefit plans | (35) | (9) |
| Contract and other liabilities | 12 | (1) |
| Net cash flows provided by operating activities | 502 | 436 |
| **Investing activities** | | |
| Purchases of investments | (4,195) | (9,788) |
| Sales of investments | 3,267 | 7,095 |
| Capital expenditures | (210) | (257) |
| Acquisitions, net of cash acquired | (1) | (26) |
| Proceeds from divestitures | — | 29 |
| Other investing activities, net | 1 | — |
| Net cash flows used in investing activities | (1,138) | (2,947) |
| **Financing activities** | | |
| Proceeds from public offerings | 1,089 | 2,124 |
| Proceeds from long-term debt | 792 | 181 |
| Repayments of long-term debt | (1,045) | (346) |
| Dividends to non-controlling interest | (50) | (33) |
| Employee taxes paid on settlement of stock-based compensation | (15) | — |
| Other financing activities, net | (4) | (9) |
| Net cash flows provided by financing activities | 767 | 1,917 |
| Effect of exchange rate changes on cash and cash equivalents | (3) | (23) |
| Net increase (decrease) in cash and cash equivalents | 128 | (617) |
| **Cash and cash equivalents** | | |
| Beginning of year | 360 | 977 |
| End of year | $ 488 | $ 360 |
| **Supplemental disclosures of cash flow information** | | |
| Cash paid during the year for interest | $ 40 | $ 57 |
| Cash paid during the year for income taxes | 92 | 66 |
| Cash paid during the year for stock-based compensation | 4 | 19 |
| **Noncash investing and financing activities** | | |
| Capital expenditures funded by liabilities | $ 55 | $ 43 |
| Conversion of stock-based compensation to equity awards | 37 | 26 |

The accompanying notes are an integral part of the Consolidated Financial Statements

### 1. Description of Business and Summary of Significant Accounting Policies

#### Description of Business

Underwriters Laboratories Inc. (“UL Research Institutes” and, together with UL Standards & Engagement and UL Solutions (each, as defined below), the “Company”), is a Delaware charitable nonstock corporation with a mission of, among other things, promoting safe living and working environments throughout the world by conducting safety and environmental sciences and hazard-based safety engineering. UL Research Institutes has a favorable determination letter from the Internal Revenue Service (“IRS”) classifying it as a tax-exempt public charity, per Section 501(c)(3) of the tax code.

UL Research Institutes' principal activity relates to conducting and disseminating scientific research on public safety issues. UL Research Institutes is the sole member of ULSE Inc. ("UL Standards & Engagement"), a Delaware nonprofit nonstock corporation that has received a favorable tax determination letter from the IRS to classify it as a tax-exempt social welfare organization per Section 501(c)(4) of the tax code and whose principal activity is the development of internationally recognized safety standards. UL Standards & Engagement owns 62% of the outstanding Class B common stock of UL Solutions Inc. (together with its consolidated subsidiaries, "UL Solutions"), a Delaware corporation, which is a global safety science leader that provides independent third-party testing, inspection and certification services and related software and advisory offerings.

#### Public Offerings

On April 16, 2024, UL Solutions completed its initial public offering of an aggregate of 38,870,000 shares of Class A common stock (the “IPO”) by UL Standards & Engagement at a price to the public of $28.00 per share. On September 9, 2024, UL Solutions completed a follow-on public offering of an aggregate of 23,000,000 shares of Class A common stock by UL Standards & Engagement at a price to the public of $49.00 per share. On December 5, 2025, the Company completed a follow-on public offering of an aggregate of 14,375,000 shares of Class A common stock by UL Standards & Engagement at a price to the public of $78.00 per share. UL Standards & Engagement received $1.1 billion and $2.1 billion in net proceeds from offerings for the years ended December 31, 2025 and 2024, respectively.

#### Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, its controlling interest in UL Solutions and variable interest entities for which the Company has determined it is the primary beneficiary. All intercompany accounts and transactions have been eliminated. The Company accounts for investments in businesses using the equity method when it has significant influence but not control (generally between 20% and 50% ownership) and is not the primary beneficiary. The significant accounting policies, as summarized below, conform to Accounting Standards Codification ("ASC") Topic 958, Not-for-Profit Entities ("ASC 958"), and other accounting principles generally accepted in the United States of America ("US GAAP"). The Company has reclassified certain amounts in prior period consolidated financial statements to conform to the current period's presentation.

ASC 958 requires classification of net assets and revenues, expenses and gains and losses, based on the existence or absence of donor restrictions. The categories, net assets without donor restrictions and net assets with donor restrictions, are defined as follows:

- Net Assets Without Donor Restrictions – Net assets available for general use and not subject to third-party donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by management or the Board of Trustees.

- Net Assets With Donor Restrictions – Net assets subject to third-party donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

In accordance with ASC 958, the Company does not have material net assets with third-party donor restrictions.

**Use of Estimates**

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are inherently uncertain and actual results could differ materially from estimated amounts. Estimates are used for, but are not limited to, contractual revenue recognized, future cash flows associated with impairment testing for goodwill, certain assumptions related to pension and postretirement benefits and income taxes. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

**Cash and Cash Equivalents**

Cash and cash equivalents include investments purchased with original maturities of three months or less.

**Short-term Investments and Investments**

Short-term investments, consisting of certificates of deposit, are recorded at amortized cost, which approximates fair value.

UL Research Institutes and UL Standards & Engagement hold investment portfolios. Short-term investments that are included in these portfolios are classified as investments on the Consolidated Balance Sheets and are measured at fair value. Investments in marketable debt and equity securities, including exchange-traded funds, with readily determinable fair values are measured at fair value. Investments in certain public equity and fixed income commingled funds, diversifying funds, and private investment partnerships are measured using the Net Asset Value ("NAV") as a practical expedient based on the fair value of the underlying investments as provided by the investment managers. Assets measured using the NAV as the practical expedient approximated 57% and 49% of the total fair value of investments in marketable securities and commingled funds for the years ended December 31, 2025 and 2024, respectively.

**Accounts Receivable and Contract Assets**

Accounts receivable consists of trade receivables billed and currently due from customers as well as amounts currently due from other external parties. Contract assets represent revenues for projects that have been recognized for accounting purposes but not yet billed to customers. The Company’s standard payment terms are due upon receipt of the invoice, except for certain customers, which may be required to make advance payments.

The Company extends credit to customers in the normal course of business, generally not longer than 90 days, and maintains an allowance for credit losses. The allowance is an estimate based on historical collection experience, current and future economic and market conditions and a review of the current status of each customer’s trade accounts receivable. Management evaluates the aging of the accounts receivable balances and the financial condition of its customers and all other forward-looking information that is reasonably available to estimate the amount of accounts receivable that may not be collected in the future and records the appropriate provision. Account balances are written off against the allowance when it is determined the accounts receivable will not be recovered.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents, investments, accounts receivable and contract assets. Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties failed to perform as contracted. The Company believes the likelihood of incurring material losses due to concentration of credit risk is minimal. The Company actively limits its exposure to credit risk by maintaining cash and investment deposits with major financial institutions as counterparties and by maintaining accounts receivable with a large number of customers in diverse industries and geographies in addition to establishing reasonable credit approvals and limits.

**Property, Plant and Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation. Major replacements and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred. Gains and losses resulting from sales and retirements are included within operating income.

Depreciation is computed using the straight–line method over the estimated useful life of the asset as follows:

| | |
|---|---|
| Land improvements | 15 years |
| Building and building improvements | 15 - 50 years |
| Leasehold improvements | Shorter of expected useful life or lease term |
| Machinery, equipment and office furniture | 3 - 15 years |

**Goodwill**

UL Solutions accounts for business combinations using the acquisition method of accounting in accordance with ASC Topic 805, Business Combinations, which requires an allocation of the purchase consideration transferred to the identifiable assets and liabilities based on the estimated fair values as of the acquisition date. Goodwill represents the excess of the purchase price of an acquired entity over the fair value of net assets acquired. Goodwill is tested for impairment annually in the fourth quarter, or more frequently if an event occurs or conditions change that would indicate it is more likely than not that the fair value of a reporting unit is below its carrying amount. UL Solutions' reporting units have been identified as one level below its operating segments. The goodwill impairment testing is performed by comparing the fair value of a reporting unit with its carrying amount and recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value.

To evaluate the recoverability of a reporting unit’s goodwill UL Solutions has the option to first perform a qualitative analysis. If the qualitative analysis indicates it is more likely than not that the fair value of a reporting unit is below its carrying amount, UL Solutions performs a quantitative impairment assessment for that reporting unit.

UL Solutions' quantitative assessment consists of a fair value calculation for each reporting unit that combines an income approach and a market approach, using an equal weighting. The quantitative assessment requires the application of a number of significant assumptions which are further described below, including estimated future cash flows of the reporting unit, discount rates, and market multiples.

The fair value using the income approach is determined based on the present value of estimated future cash flows of the reporting unit, discounted at an appropriate risk-adjusted rate. UL Solutions uses its internally developed long-range plans to estimate future cash flows and include an estimate of long-term future growth rates based on its most recent views of the long-term outlook for each reporting unit. Development of UL Solutions' long-range plans includes consideration of current and projected levels of income for the reporting unit based on management’s plans for that business, business trends, market and economic conditions, as well as other relevant factors. The discount rate is based on the weighted average cost of capital for the reporting unit. UL Solutions uses discount rates that are commensurate with the risks and uncertainty inherent in the respective businesses and in UL Solutions' long-range plans.

The fair value using the market approach is derived from market multiples using comparable publicly traded companies for a group of benchmark companies. The selection of comparable businesses is based on the markets in which the reporting units operate given consideration to risk profiles, size, geography and diversity of products and services.

UL Solutions did not recognize any impairments of goodwill for the years ended December 31, 2025 or 2024.

**Intangible and Other Long-lived Assets**

The Company amortizes finite-lived intangible assets using the straight-line method over their estimated economic useful lives, which range from three to twenty years. The Company reviews long-lived assets, including property, plant and equipment, capitalized software and intangible assets with finite lives for impairment whenever an event occurs or conditions change that indicate the carrying amount of the asset group may not be recoverable. When such events occur, the Company performs a recoverability test by comparing the projected undiscounted cash flows of the asset group to the carrying amount. If this comparison indicates that there is a potential impairment, the asset group’s fair value is determined based on the present value of its estimated future cash flows, discounted at an appropriate risk-adjusted rate. An impairment charge is recorded for the amount by which the carrying amount of the asset group exceeds its fair value. The Company did not recognize any impairments of intangible or other long-lived assets for the years ended December 31, 2025 or 2024.

**Leases**

The Company determines if an arrangement is a lease at inception and reassesses that conclusion if the contract is modified. The Company evaluates whether the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration in order to determine if the contract is or contains a lease. The right to control the use of an identified asset includes the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

The Company’s classes of leased assets include real estate, vehicles, and equipment. When it is reasonably certain that an option to extend or terminate a lease will be exercised, the Company has included the option in the recognition of right-of-use ("ROU") assets and lease liabilities. The Company does not recognize ROU assets or lease liabilities for leases with a term of twelve months or less. The Company accounts for lease and non-lease components as a single component for all asset classes.

ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at lease commencement and measured based on the present value of lease payments over the lease term. Variable lease payments, which may include certain non-lease costs such as real estate taxes, common area maintenance and insurance, are recognized as incurred and are not presented as part of the ROU asset or lease liability, unless such payments are fixed or in-substance fixed, which may include payments that depend on an underlying index or rate. Operating lease cost is recognized on a straight-line basis over the lease term. The Company does not have material finance leases.

The Company uses its incremental borrowing rate at the commencement date in determining the present value of lease payments. The Company’s incremental borrowing rate is based on its estimated rate of interest for a collateralized borrowing over a similar term as the lease payments. The same process is followed for any new leases at their commencement dates or modification to existing leases that require remeasurement.

### Capitalized Software

Costs related to software acquired or developed solely for the Company's internal use, as well as costs to develop cloud-based applications provided to customers as a service (i.e. SaaS arrangements) are capitalized in accordance with ASC Topic 350-40, Internal-use Software ("ASC 350-40"). Certain costs incurred after the completion of the preliminary project stage and after management, with the relevant authority, has authorized and committed funds to the software project, and it is probable that the project will be completed and the software will be used to perform the function intended, are capitalized. For development costs capitalized under the requirements of ASC 350-40, amortization begins when each software module is ready for its intended use. Costs are amortized on a straight-line basis over the estimated useful life of the software (generally three to five years). Costs related to preliminary project activities and post implementation activities are expensed as incurred. Additions to capitalized software are reported within capital expenditures in the Consolidated Statements of Cash Flows.

The Company capitalizes certain implementation costs related to cloud computing service arrangements with third party vendors that are incurred during the application development stage. Subsequently, the costs are amortized on a straight-line basis over the non-cancelable term of the hosting agreement plus any reasonably certain renewal period. Capitalized implementation costs are included as a component of other assets on the Consolidated Balance Sheets and amortization is included as an operating expense in the Consolidated Statements of Changes in Net Assets. Additions to capitalized cloud implementation costs are reported within operating activities in the Consolidated Statements of Cash Flows.

Costs related to software to be sold, leased or otherwise marketed are expensed as incurred until technological feasibility has been established in accordance with ASC Topic 985-20, Costs of Software to be Sold, Leased, or Marketed. Certain costs incurred subsequent to establishing technological feasibility are capitalized up until the software is available for general release and are amortized on a straight-line basis over the estimated useful life of the software (generally three to five years).

Amortization expense of capitalized software costs totaled $67 million and $60 million for the years ended December 31, 2025 and 2024, respectively.

### Accounts Payable and Contract Liabilities

Accounts payable consists of trade payables currently due to vendors as well as amounts currently due to other external parties. Contract liabilities include payments received in advance of performance under the contract and are subsequently reduced when the associated revenue is recognized for the respective contract. Amounts initially recorded as contract liabilities are recognized as revenue in accordance with the Company's revenue recognition policy.

### Liquidity Considerations

As part of the Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Company has $916 million and $744 million of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of $488 million and $360 million, and accounts receivable, net of allowance of $428 million and $384 million for the years ended December 31, 2025 and 2024, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. In addition, the Company can redeem a certain portion of its long-term investments within one year. See Note 5 for additional details.

### Fair Value

ASC Topic 820, Fair Value Measurement ("ASC 820"), defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

- Level 1 observable inputs such as quoted prices in active markets;
- Level 2 inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions.

ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement. The Company does not have any assets or liabilities measured at fair value on a recurring basis that are Level 3, except for certain pension assets discussed in Note 10. The Company did not have any transfers between fair value levels during the years ended December 31, 2025 and 2024.

The net asset value per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used as a practical expedient to estimate the fair values of certain public equity and fixed income commingled fund, diversifying funds, and private investment partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

ASC Topic 958-325, Not-for-Profit Entities - Investments, provides a portfolio-wide fair value option ("PWFVO") that allows not-for-profit entities to measure eligible investments, on a portfolio by portfolio basis, at fair value. The PWFVO facilitates the reporting and administration of investment portfolios held for the objective of earning investment returns. As of December 31, 2025 and 2024, the Company elected the PWFVO for its investment portfolios held by UL Research Institutes and UL Standards & Engagement.

**Revenue Recognition**

The Company's revenue is primarily generated from its taxable for-profit subsidiary, UL Solutions, which recognizes revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers (“ASC 606”), when its customer obtains control of promised goods or services, or as the Company renders services, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods and services. For each arrangement the Company performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) if applicable, allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Company satisfies a performance obligation.

UL Solutions' contracts with customers generally relate to services that are distinct and are accounted for separately. Those goods and services that are determined to be separate performance obligations are treated as separate units of account and each separate performance obligations has its own stand-alone selling price, which is the price at which an entity would sell a promised good or service separately to a similar customer in similar circumstances. The stand-alone selling price is determined using an established list price for the specific service and geographical region, or through a needs-based assessment. If a needs-based assessment approach is used, the stand-alone selling price is estimated by multiplying the expected labor hours by a labor rate. The labor rate is determined by considering the cost of labor, other miscellaneous costs (e.g., overhead) and applying a margin. The labor rate may be adjusted for geographic differences and other items as determined necessary and is reviewed on a periodic basis for appropriateness.

The majority of UL Solutions' revenue from contracts with customers represents revenue from services recognized over time as performance obligations are satisfied. Revenue from over-time arrangements is recognized either on a straight line basis as the service is provided to the customer, or using an input method, which requires UL Solutions to make estimates, in particular in relation to measuring progress towards completion. For arrangements recognized over time using an input method, progress towards completion is based on the relationship between the time elapsed of each project phase relative to the expected duration of that phase. The portion of a project's revenue to be recognized is determined based on the time elapsed between the start-date of each project phase relative to its estimated duration. The start-date of each phase is based on the date that work begins on the phase and the estimated duration is determined using an analysis of historical data from similar projects. Management applies judgment in determining the expected duration of each phase. The portion of a project's revenue estimated as earned, but not yet completed, and recognized as revenue, is included in contract assets or as a reduction to contract liabilities.

UL Solutions' cost to obtain a contract is generally commission paid to sales personnel for the sale of services. Management determined that the amortization period of the commission costs would be one year or less and therefore has elected the practical expedient to expense these costs as incurred. As a result, the costs to obtain a contract are expensed as incurred.

UL Solutions typically does not incur costs to fulfill contracts which would meet the capitalization criteria and therefore these costs are typically expensed as incurred. Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenues.

Refer to Note 2 for additional information.

**Operating Expenses**

Operating expenses include personnel-related expenses consisting of salaries, incentives, stock-based compensation and fringe benefits for employees directly attributable to revenue generation across each of the Company's five major service categories, as well as indirect administrative functions such as executive, finance, legal, human resources and information technology. In addition, operating expenses include third party consultancy costs, facility costs, depreciation and amortization, internal research and development costs as well as legal and accounting fees, travel, marketing, bad debt, and materials and supplies.

**Contingencies**

The Company provides grant and subaward funding to universities and other institutions to promote the advancement of research into safety and environmental sciences. The Company will record such funding within operating expenses as an unconditional promise to give when either: no barriers must be overcome before a recipient is entitled to receive payment, or the Company cannot be released from its obligation to provide payment to a recipient. When both donor-imposed conditions exist, these amounts are conditional promises to give and are not recorded until all barriers to payment have been overcome and the Company no longer can be released from its obligation. Conditional promises to give are reasonably estimable but not probable of occurring, and as such, are not recorded until they are unconditional. The Company estimates that conditional promises to give were $10 million and $14 million as of December 31, 2025 and 2024, respectively.

**Foreign Currency**

The functional currency of certain of the Company's foreign affiliates is the local currency. Assets and liabilities of international subsidiaries have been translated into U.S. dollars at the balance sheet date, and income and expense items have been translated using monthly average exchange rates for the period. The resulting currency translation adjustments have been recorded as a separate component of changes in net assets. The Company revalues assets and liabilities entered in foreign currency at the balance sheet date and the resulting unrealized gain (loss) is recorded as other (expense) income, net in the Consolidated Statements of Changes in Net Assets.

### Stock-based Compensation

UL Solutions maintains long-term incentive plans under which equity awards are available to be issued to certain employees, officers and directors. Stock based compensation expense, measured as the fair value of an award on the date of grant, is recognized ratably over the requisite service period, which is generally equal to the vesting period of the respective award, however, it may be impacted by certain factors including the employee's death, disability or retirement. Compensation expense related to performance share units is adjusted each reporting period based on the probable outcome of the performance conditions applicable to each grant.

The fair value of restricted stock units and performance share units is determined using the closing price of the Company's stock on the date of grant. The fair value of each stock option is measured on the date of grant using a Black-Scholes-Merton option-pricing model that uses various assumptions including expected stock price volatility, expected dividend yield, the risk-free interest rate, and expected term of the award.

Stock-based compensation expense is included as part of operating expenses. Amounts related to non-cash awards are presented as an adjustment below non-operating activity because UL Research Institutes is a not-for-profit entity and does not have stockholders' equity.

### Restructuring

Restructuring expenses consist of employee-separation costs, including severance and other benefits calculated based on long-standing benefit practices and local statutory requirements. In most jurisdictions, the Company has ongoing benefit arrangements under which the Company records estimated severance and other termination benefits when such costs are deemed probable and estimable, approved by management, and if actions required to complete the termination plan indicate it is unlikely that significant changes to the plan will be made or the plan will be withdrawn. Severance and other termination benefits for which there is not an ongoing benefit arrangement are recorded when management has committed to the plan and the benefit arrangement is communicated to the affected employees. Other costs may include facility exit costs related to accelerated right-of-use asset amortization, gains and losses on early lease terminations, and other exit costs for leases which will be abandoned, as well as professional services costs related to restructuring activities.

### Other (Expense) Income, net

Other (expense) income, net consists primarily of non-operating gains and losses, including gains and losses related to foreign exchange transactions and the revaluation performed on designated balance sheet accounts, gains and losses on equity investments, non-operating pension and postretirement benefit expenses and gains on divestitures.

### Interest Expense

Interest expense consists primarily of interest expense on UL Solutions' debt obligations.

### Income Taxes

The Company recognizes income taxes, which primarily represent taxes related to UL Solutions, based on amounts refundable or payable for the current year and records deferred tax assets or liabilities for temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating loss carryforwards and tax credit carryforwards. Deferred tax assets and liabilities are measured using current enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to reverse. Inherent in determining the annual tax rate are judgments regarding business plans, planning opportunities and expectations about future outcomes. Realization of certain deferred tax assets, primarily net operating loss and other carryforwards, is dependent upon generating sufficient taxable income in the appropriate jurisdiction prior to the expiration of the carryforward periods. The Company has classified all deferred tax assets and liabilities, along with any related valuation allowances, as net non-current on the Consolidated Balance Sheets. Deferred tax expense or benefit is the result of changes in the deferred tax asset or liability.

The Company records valuation allowances to reduce deferred tax assets to reflect the amount that is more-likely-than-not to be realized. When assessing the need for valuation allowances, the Company considers all available evidence, including three years of cumulative income/(loss) before taxes, expected future taxable income and ongoing prudent and feasible tax planning strategies. Should a change in circumstances lead to a change in judgment about the realizable value of deferred tax assets in future years, the Company would adjust related valuation allowances in the period that the change in circumstances occurs, along with a corresponding increase or charge to income.

For uncertain tax positions related to exposures associated with various tax filing positions, the Company recognizes a tax benefit only if it is more-likely-than-not that the tax position will be sustained upon examination by the relevant taxing authorities, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that is more-likely-than-not to be realized upon settlement. The Company adjusts its liability for unrecognized tax benefits in the period they are settled, the statute of limitations expires, or when new information becomes available. Interest and penalties related to unrecognized tax benefits are recorded in income tax expense.

The Company has generated income in certain foreign jurisdictions that may be subject to additional foreign withholding taxes and U.S. state income taxes, if repatriated. The Company regularly reviews its plans for reinvestment or repatriation of unremitted foreign earnings and has recorded deferred tax liabilities on certain foreign subsidiaries' unremitted earnings that are not considered permanently reinvested. The Company's assertion on indefinite reinvestment of foreign earnings is based upon assumptions of future liquidity needs of the business and cash flow projections of its subsidiaries.

The accounting policy of the Company is to record U.S. tax on Global Intangible Low-Taxed Income in the provision for income taxes in the year it is incurred.

**Recently Issued Accounting Standards - Adopted**

Effective for the year ended December 31, 2025, the Company adopted Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740)*: Improvements to Income Tax Disclosures, which provides qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures, including consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation by jurisdiction of income taxes paid. The ASU was adopted prospectively and did not impact the Company's financial condition, results of operations or cash flows. Refer to Note 11, "Income Taxes" for further information.

**Recently Issued Accounting Standards - Not Adopted**

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)*: Targeted Improvements to the Accounting for Internal-Use Software. The amendments are intended to modernize the recognition and capitalization framework to reflect current software development practices, including iterative and agile methodologies, by removing references to "development stages" and clarifying the threshold to begin capitalizing costs. The amendments in ASU 2025-06 are effective for fiscal years beginning after December 15, 2027, and interim periods within those annual reporting periods, on either a prospective, modified transition or retrospective basis, with early adoption permitted. The Company is currently evaluating the impact this ASU may have on its consolidated financial statements.

### 2. Revenue

The table below summarizes the major service categories from which the Company derives its revenues for the years ended December 31:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Certification Testing | $ 850 | $ 782 |
| Ongoing Certification Services | 1,006 | 953 |
| Non-certification Testing and Other Services | 929 | 868 |
| Software | 285 | 273 |
| Grants and Royalties | 10 | 9 |
| Total | $ 3,080 | $ 2,885 |

### Description of Major Service Categories

***Certification Testing***

UL Solutions evaluates products, components and systems according to global or regional regulatory requirements and other design and performance specifications. Select certification testing services include testing to global or regional standards, engineering evaluation and project review and functional safety testing of embedded software. Certification testing services generally align with the new product development cycle and help customers mitigate risk, demonstrate compliance with regulatory requirements and deliver confidence to businesses and consumers, resulting in demand for ongoing certification services. As a result of the certification process, UL Solutions may authorize its customers to use UL Solutions' certification marks, including the UL Solutions' registered UL in-a-circle certification mark (the “UL Mark”), on their products, packaging and marketing collateral as part of their manufacturing, distribution and marketing processes to demonstrate to the marketplace that their product has met the applicable requirements. Certification testing services often lead to Ongoing Certification Services to support the continued safety, compliance and performance objectives of the customer.

Contracts are generally structured as fixed payments as the total amount to be charged to the customer does not vary. Revenue from Certification Testing is generally recognized over-time. In these cases, the services create an asset with no alternative use as each of the services are specific to the products and specifications provided by the customer, and UL Solutions has an enforceable right to payment. Revenue is generally recognized based on the relationship between time elapsed of each project phase relative to the expected duration of that phase, which is considered the most indicative of the Company’s performance to-date under the terms of the contract.

In some instances, revenue from Certification Testing does not meet the over-time criteria and is recognized at a point in time when control is transferred to the customer. Control is transferred to the customer upon the delivery of the test report to the customer. These instances occur when the agreement or the nature of the services causes a lack of right to payment until control transfer.

***Ongoing Certification Services***

To maintain the right to use UL Solutions' certification marks, including the UL Mark, and meet certain regulatory requirements, UL Solutions' customers must meet certain certification program requirements, including mandatory inspection and monitoring by UL Solutions. These requirements, addressed through standard certification and inspection services, are designed to validate the continued compliance of UL Solutions' customers’ previously certified products, components and systems. Services are delivered through periodic inspections, initial and follow-up audits, sample testing and UL Solutions label usage. The frequency and combination of these services can vary based on product, component or system type, production volume and historical risk-based customer compliance. These ongoing certification services are designed and executed to help UL Solutions' customers confirm ongoing compliance and to help protect the integrity of the UL Mark. Select services include factory inspection and testing to confirm products that are being produced match the configuration of products that were tested and certified.

Contracts are generally structured as fixed payments as the total amount to be charged to the customer does not vary. In some cases, the customer is charged a usage price based on its total production volume. Revenue from compliance program contracts is recognized over-time on a straight-line basis because the customer receives and consumes the benefit of continued certification as UL Solutions performs services through the periodic verification of the customers’ compliance.

As part of Ongoing Certification Services, customers may order physical labels (recorded in other current assets) that bear the UL Mark to affix to their products to demonstrate to end-customers that the products comply with the certification requirements of UL Solutions. The labels are a separate performance obligation, distinct from the compliance program. Revenue from physical labels is recognized upon shipment, the point in time in which the customer obtains control of the labels.

***Non-certification Testing, and Other Services***

UL Solutions offers testing services to address performance and other requirements that may not be required by any regulation and may not result in a certification, but are still desired by UL Solutions' customers to help ensure the safety, performance and reliability of their products. Select services include on-site and remote inspections, audits and field engineering specialty services, testing for energy efficiency, wireless and electromagnetic compatibility, quality, chemical and reliability for customers in medical devices, information technologies, appliances, HVAC and lighting. For retail and consumer customers, UL Solutions offers testing such as color-matching, sensory, emissions and flame resistance. Lastly, UL Solutions offers advisory and technical services to support UL Solutions' customers in managing their safety, compliance, regulatory risk and sustainability programs.

Contracts are generally structured as fixed payments as the total amount to be charged to the customer does not vary. For services where the customer does not simultaneously receive and consume the benefit of the performance obligation, revenue is recognized upon the delivery of the final deliverables to the customer. For services that create an asset with no alternative use as each of the services are specific to the products and specifications provided by the customer, and UL Solutions has an enforceable right to payment, revenue is generally recognized based on the relationship between time elapsed of each project phase relative to the expected duration of that phase, which is considered the most indicative of UL Solutions' performance to date under the terms of the contract. Advisory revenue is generally recognized over time.

In some instances, revenue from non-certification testing does not meet the over-time criteria and is recognized at a point in time when control is transferred to the customer. Control is transferred to the customer upon the delivery of the test report to the customer. These instances occur when the agreement or the nature of the services causes a lack of right to payment until control transfer.

***Software***

UL Solutions provides software as a service (“SaaS”) and license-based software solutions, including implementation and training services related to software, to enable UL Solutions’ customers to manage complex regulatory requirements, deliver supply chain transparency and operationalize sustainability. UL Solutions' SaaS and licensed software solutions provide data-driven product stewardship, chemicals management, supply chain insights, environmental, social and governance (“ESG”) data and reporting, environmental, health and safety (“EHS”) training, management and compliance, and additional regulatory driven software solutions.

Contracts are structured as fixed payments as the total amount to be charged to the customer does not vary. UL Solutions generally recognizes revenue from SaaS contracts, which are provided on a subscription basis, ratably over the contract period beginning on the date the service is first made available to the customer. UL Solutions generally recognizes revenue from on-premise software at a point in time when it is made available to the customer. The revenue from implementation services, post-contract customer support services, and other customer support services is recognized over the service period as the customer benefits from the services as they are performed.

***Grants and Royalties***

Grant revenue relates to grants and cooperative agreements awarded from the U.S. Federal government and other non-federal sponsors in which UL Research Institutes is the prime recipient or subrecipient.

Royalty revenue relates to agreements between UL Standards & Engagement and third parties to resell standards in the market. These agreements can either be in the form of license or service agreements.

**Remaining Performance Obligations**

Remaining consideration from contracts with customers pertains to contracts with multiple performance obligations and multi-year maintenance agreements, which are typically recognized as the performance obligation is satisfied.

## 3. Acquisitions and Divestitures

### Acquisitions

In July 2024, UL Solutions acquired 100% of the outstanding stock of TesTneT Engineering GmbH (together with its subsidiaries, “TesTneT”) for approximately $19 million in cash consideration (as adjusted for customary post-closing adjustments). TesTneT is a Germany-based company that provides testing services for various hydrogen storage systems, refueling stations and their components. Goodwill of $14 million represents anticipated future revenue growth and margin expansion opportunities from new customers. Goodwill related to this acquisition is not deductible for income tax purposes.

In May 2024, UL Solutions acquired 100% of the outstanding stock of BatterieIngenieure GmbH (together with its subsidiaries, “BatterieIngenieure”) for approximately $12 million in cash consideration (as adjusted for customary post-closing adjustments). BatterieIngenieure is a Germany-based battery testing company that was, at the time of acquisition, in the process of building a laboratory in Aachen, Germany to replace the leased facility it was using and to add testing and simulation capacity. The purchase price primarily related to property, plant and equipment of $9 million and goodwill of $8 million. Goodwill represents anticipated future revenue growth and margin expansion opportunities from new customers. Goodwill related to this acquisition is not deductible for income tax purposes.

Aggregate acquisition-related costs associated with business combinations are not material for the years ended December 31, 2025, and 2024 and are included in operating expenses in the Company’s Consolidated Statements of Changes in Net Assets as incurred.

### Divestiture

In May 2024, UL Solutions completed the sale of its payments testing business to an affiliate of Gallant Capital Partners, a California based private equity firm, for a base price of $29 million in cash (as adjusted for customary post-closing adjustments) with the potential for additional cash consideration if certain earn-out provisions are met. The divestiture resulted in a pre-tax gain on sale of $24 million, which was recorded within other (expense) income, net in the Company’s Consolidated Statements of Changes in Net Assets.

## 4. Other (Expense) Income, net

The components of other (expense) income, net for the years ended December 31 were as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Foreign exchange losses | $ (10) | $ (11) |
| Equity in earnings of non-consolidated affiliates | — | 3 |
| Non-operating pension and postretirement benefit expense | (4) | (8) |
| Gains on divestitures, net of adjustments[a] | — | 24 |
| Other | (1) | (4) |
| **Total** | $ (15) | $ 4 |

(a) See Note 3.

## 5. Fair Value of Financial Instruments

### Investments at Fair Value

The following tables present the Company's fair value hierarchy for long-term investments measured at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

| | As of December 31, 2025 | | | |
|---|---|---|---|---|
| (in millions) | Level 1 | Level 2 | Level 3 | Total Fair Value |
| **Long-term investments:** | | | | |
| Equity securities: | | | | |
| Public equities | $ 32 | $ — | $ — | $ 32 |
| Exchange traded funds | 2,302 | — | — | 2,302 |
| Fixed Income: | | | | |
| Short-term investments | 117 | — | — | 117 |
| Corporate bonds | — | 164 | — | 164 |
| US treasury and government obligations | — | 218 | — | 218 |
| Investments reported at NAV[a] | — | — | — | 3,717 |
| **Total investments at fair value** | $ 2,451 | $ 382 | $ — | $ 6,550 |

(a) In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

| (in millions) | As of December 31, 2024<br>Level 1 | Level 2 | Level 3 | Total Fair Value |
|---|---|---|---|---|
| **Long-term investments:** | | | | |
| Equity securities: | | | | |
| Public equities | $ 18 | $ — | $ — | $ 18 |
| Exchange traded funds | 2,008 | — | — | 2,008 |
| Fixed Income: | | | | |
| Short-term investments | 67 | — | — | 67 |
| Corporate bonds | — | 124 | — | 124 |
| US treasury and government obligations | — | 164 | — | 164 |
| Investments reported at NAV[a] | — | — | — | 2,281 |
| **Total investments at fair value** | $ 2,093 | $ 288 | $ — | $ 4,662 |

(a) Described in previous table.

The following valuation methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

**Investments in Marketable Securities, Commingled Funds, and Private Partnerships**

The investment portfolio is comprised of a mix of public equities, exchange traded and commingled equities, diversifying assets, private investments and fixed income investments. The investment portfolios are intended to support the Company's long-term nonprofit mission while providing sufficient liquidity to fund short-term operational requirements. As such, the portfolios are subject to various restrictions on redemptions, however, are expected to maintain minimum levels of liquidity such that, at all times, at least 5-10% of investments can be redeemed within one month, at least 40-50% of investments can be redeemed within one year, and at least 80% of investments can be redeemed within three years. The balance of the portfolios may be invested in assets with longer redemption periods and increased restrictions on liquidity.

***Public Equities***

Public equities include, but are not limited to, directly held publicly traded securities. Equities may be held in both United States (U.S.) and non-U.S. active markets and are classified as Level 1.

***Exchange-Traded Funds ("ETFs")***

ETFs currently include diversified public U.S. and international index funds, including developed and emerging markets. The funds are exchange traded with daily pricing and liquidity and are classified as Level 1.

***Equity Commingled Funds***

Equity commingled fund investments include, but are not limited to, commingled funds invested in U.S., non-U.S., and emerging market public equities. These investments are primarily made through offshore corporations and limited partnerships. The investments in equity commingled funds have limited liquidity since the shares or interests are not freely transferable and are subject to various lock up periods, redemption frequencies, notice requirements, and certain gating provisions. In addition, the equity commingled funds may reserve the right to reduce or suspend redemptions and to satisfy redemptions by making distributions in kind, under certain circumstances. These funds are measured at fair value based on a reported NAV provided by fund managers as a practical expedient, and they are therefore excluded from the valuation hierarchy.

***Fixed Income***

Fixed income is comprised of government obligations, corporate bonds, a fixed income commingled fund and short-term investments. The government obligations and corporate bonds are primarily valued using market prices for the same or similar instruments, as they typically trade in more active markets and are classified as Level 2.

The fixed income commingled fund is limited liability company which invests primarily in bonds and other fixed income securities. This fund has daily liquidity with two business days' notice. The fund manager has reserved the right to suspend redemption rights in certain circumstances. The fixed income commingled fund is measured at fair value based on a reported NAV provided by the fund as a practical expedient, and it is therefore excluded from the valuation hierarchy.

Short-term investments are classified as Level 1.

***Diversifying Assets***

These assets include, but are not limited to, investments in actively managed commingled funds employing a variety of strategies to provide diversification and attain a desired return, while managing portfolio risk. Primarily made through offshore corporations and limited partnerships, these funds have limited liquidity since shares or interests in the funds are not freely transferable and are subject to various lock up periods, redemption frequencies, notice requirements, and certain gating provisions. In addition, the diversifying funds typically reserve the right to reduce or suspend redemptions and to satisfy redemptions by making distributions in kind, under certain circumstances. Diversifying funds are measured at fair value based on a reported NAV provided by fund managers as a practical expedient, and they are therefore excluded from the valuation hierarchy. These fund investments primarily include but are not limited to the following strategies:

*Long/Short Equity*

Funds that can invest long and short which are often primarily in publicly traded stocks. Fund managers may invest in value, growth, or event-driven equity opportunities and may not be restricted by market capitalization, industry sector, or geography. Leverage and derivatives may be utilized, which can magnify changes in the values of the underlying securities.

*Credit Opportunistic*

Funds include, but are not limited to, strategies that invest exclusively in credit or opportunistically across the capital structure. Furthermore, these funds may include opportunistic vehicles structures, such as draw down structure. These funds tend to run longer-biased portfolios and place less emphasis on shorting relative to Long/Short Equity managers.

***Private Investment Partnerships***

These commingled fund investments are privately held and generally considered illiquid. Investors may not withdraw or sell, assign, or transfer interests in the partnerships except in certain very limited circumstances, subject to consent by the general partners of the funds. Private partnerships are structured as "drawdown" limited partnerships, which means investors commit capital to the funds and fund managers make capital calls as they identify investment opportunities over the course of the investment period, which could last from approximately two to six years. Partnership distributions are then received through the remaining life of the partnership as underlying investments are liquidated. The life of most private partnerships is generally expected to be at least ten years; however, certain of the Private Diversifier partnerships, as described below, have expected lives of 5-7 years.

Valuations are determined by the investment managers and consider the funds' underlying assets using factors that may involve considerable judgment and interpretation such as private and public comparables, third party appraisals, discounted cash flow models, and manager estimates. Private partnerships are recorded at fair value based on a reported NAV provided by fund managers as a practical expedient, and they are therefore excluded from the valuation hierarchy. The private partnership strategies currently include the following:

*Private Equity*

Private equity investments will invest primarily, but not exclusively, in partnership investments with a wide variety of transactions, such as growth equity financing, leveraged buyouts, direct financing (debt and/or equity), acquisitions, recapitalizations, and restructurings. These investments are primarily in the U.S. but also may be in developed and emerging international markets.

*Venture Capital*

Venture capital investments include, but are not limited to, investments in privately negotiated equity and equity-related investments, primarily in seed, early and late-stage venture partnerships within industries such as technology and life-sciences.

*Real Estate*

Exposure to real estate is achieved through partnership investments that include, but are not limited to, investments in commercial and residential real estate or real estate related securities in the U.S. and internationally. Generally, these partnership investments will focus on value-add activities that employ a variety of strategies including acquisition, development, and redevelopment and repositioning, focusing primarily on asset operation and management.

*Private Credit*

Private credit includes, but is not limited to, investments in limited partnerships that utilize direct lending, stress and distress-oriented, and other opportunistic investment strategies.

*Private Diversifier*

Private diversifier includes, but is not limited to, investments in limited partnerships that invest in publicly traded equity, and/or stress and distress-oriented credit investments through a vehicle structure that has a drawdown feature. These strategies may also opportunistically invest in structured investments (e.g., private investment in public equity – "PIPE") and private investments. These investments are primarily in the U.S. but also may be in developed and emerging international markets.

*Private Resources*

Private resources include one fund focused on acquiring positions in mineral assets and materials processing infrastructure.

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows:

| | As of December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | **Number of Funds[a]** | **Reported at NAV (in millions)** | **Unfunded Commitments (in millions)** | **Redemption Frequency** | **Redemption Notice Period** |
| **Equities:** | | | | | |
| Equity commingled funds | 38 | $ 1,601 | $ — | Semi-Monthly to Annual | 6-365 days |
| **Fixed Income:** | | | | | |
| Bond commingled funds | 2 | 306 | — | Daily | 2 days |
| **Diversifying Assets:** | | | | | |
| Diversifying asset commingled funds[b] | 52 | 1,445 | — | Monthly to Illiquid | 45-120 days |
| **Private Investment Partnerships:** | | | | | |
| Private equity | 26 | 140 | 270 | Upon Dissolution | |
| Venture capital | 26 | 133 | 99 | Upon Dissolution | |
| Private real estate | 7 | 49 | 75 | Upon Dissolution | |
| Private resources | 1 | 2 | 9 | Upon Dissolution | |
| Private credit | 3 | 15 | 29 | Upon Dissolution | |
| Private diversifier | 6 | 26 | $ 14 | Upon Dissolution | |
| **Total** | 161 | $ 3,717 | $ 496 | | |

(a) The number reported includes distinct investments in funds reported at NAV, and in certain cases, there are investments in the same underlying fund owned by both UL Standards & Engagement and UL Research Institutes, which are not duplicated in the number of distinct investments.

(b) Of the $1,445 million, 68% is estimated to be available for redemption within 1 year, with an additional 26% to be available within 3 years, and the remaining 6% requiring more than 3 years for full redemption.

| | As of December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Number of Funds[(a)] | | Reported at NAV (in millions) | | Unfunded Commitments (in millions) | Redemption Frequency | Redemption Notice Period |
| **Equities:** | | | | | | | |
| Equity commingled funds | 37 | $ | 1,061 | $ | — | Semi-Monthly to Annual | 6-365 days |
| **Fixed Income:** | | | | | | | |
| Bond commingled funds | 2 | | 210 | | — | Daily | 2 days |
| **Diversifying Assets:** | | | | | | | |
| Diversifying asset commingled funds | 37 | | 844 | | — | Monthly to illiquid | 45-120 days |
| **Private Investment Partnerships:** | | | | | | | |
| Private equity | 20 | | 70 | | 155 | Upon Dissolution | |
| Venture capital | 16 | | 45 | | 67 | Upon Dissolution | |
| Private real estate | 6 | | 33 | | 59 | Upon Dissolution | |
| Private credit | 2 | | 5 | | 17 | Upon Dissolution | |
| Private diversifier | 4 | $ | 13 | $ | 24 | Upon Dissolution | |
| **Total** | 124 | | 2,281 | | 322 | | |

(a) Described in previous table.

## 6. Investments in Equity Securities

### Equity Investments in Non-consolidated Affiliates

UL Solutions holds investments in equity securities of various companies which are accounted for using the equity method when UL Solutions has the ability to exercise significant influence, but not control, over the investee. The carrying amount of these investments was $23 million and $22 million at December 31, 2025 and 2024, respectively, and includes approximately 28% of the registered share capital of DQS Holding GmbH (“DQS”), a global management system assessment company headquartered in Germany. The carrying amount of UL Solutions investment in DQS was $22 million and $21 million for the years ended December 31, 2025 and 2024, respectively, and is included within other assets in the Consolidated Balance Sheets.

UL Solutions holds investments in equity securities of various companies, certain of which comprise less than 10% of the applicable company’s outstanding equity securities and are included within other assets in the Company’s Consolidated Balance Sheets. The Company accounts for these investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The carrying amount of these investments was $33 million and $36 million at December 31, 2025 and 2024, respectively. As of December 31, 2025, the Company had recorded cumulative downward adjustments, including impairments, of $15 million and cumulative upward adjustments of $30 million for these investments within other (expense) income, net.

### Variable Interest Investment

UL Solutions owns 70% of the equity interests of UL-CCIC Company Limited (“UL-CCIC”), an entity formed under the laws of the People’s Republic of China (“P.R.C”). The remaining 30% equity interest is owned by China

Certification & Inspection (Group) Co., Ltd. (“CCIC”), a Chinese state-owned enterprise. UL-CCIC offers product safety testing services enabling its customers to access North American and other international markets, electromagnetic compatibility and commercial inspection and testing services. UL-CCIC provides local voluntary certification schemes to help their customers differentiate their products within the China market. UL-CCIC also offers China Compulsory Certification (“CCC”) testing services under some product categories, which is approved by the Certification and Accreditation Administration P.R.C. and market access agency services to manufacturers to help them obtain the CCC mark.

UL-CCIC is governed by an agreement first entered into on June 26, 2002, and has been amended from time to time. UL-CCIC was established with an initial duration of 10 years, starting from the date that it obtained its business license. This duration has been subsequently extended twice and currently expires in January 2033 pursuant to the amended and restated agreement UL Solutions entered into with CCIC on October 28, 2022.

The board of directors of UL-CCIC consists of seven directors, with four appointed by UL Solutions and three by CCIC. The chair of the UL-CCIC board of directors is appointed by UL Solutions and the vice chair by CCIC. UL-CCIC has a general manager, who is in charge of the day-to-day management of UL CCIC and reports to the UL-CCIC board of directors. UL Solutions has the exclusive right to nominate the general manager and CCIC has the exclusive right to nominate the deputy general manager.

UL Solutions determined that it is the primary beneficiary of UL-CCIC because UL Solutions has the power to direct many of the activities that most significantly impact the performance of the entity through its right to appoint a majority of the directors on UL-CCIC’s board of directors, as well as the exclusive right to nominate the general manager. Pursuant to the governing documents of UL-CCIC, certain decisions and actions of its board of directors require either unanimous approval or the approval of two-thirds of the directors, while certain other matters require either unanimous approval or the approval of a supermajority of the voting rights of the shareholders; however, UL Solutions believes that such decisions and actions are not the most significant to the performance of UL-CCIC. As such, UL Solutions consolidates UL-CCIC as a variable interest entity (“VIE”). The profits and losses of UL-CCIC are shared by the parties in proportion to their respective contributions to its registered capital. Such equity interest represents UL Solutions' variable interest in UL-CCIC and provides for participation in both the risk of loss and future economic gains. Neither UL Solutions nor CCIC, as the shareholders of UL-CCIC, are required to provide additional financing support to UL-CCIC.

UL-CCIC is a separate legal entity, and its assets are legally owned by UL-CCIC and are not available to UL Solutions' creditors. UL-CCIC assets of $219 million and $193 million and liabilities of $94 million and $87 million, inclusive of intercompany eliminations, were included in the Company’s Consolidated Balance Sheets at December 31, 2025 and 2024, respectively.

### 7. Property, Plant and Equipment

The components of property, plant and equipment, net as of December 31 were as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Land and land improvements | $ 42 | $ 41 |
| Building and building improvements | 504 | 451 |
| Leasehold improvements | 240 | 209 |
| Machinery, equipment and office furniture | 860 | 759 |
| **Property, plant and equipment, gross** | 1,646 | 1,460 |
| Total accumulated depreciation | (897) | (783) |
| **Property, plant and equipment, net** | $ 749 | $ 677 |

Depreciation expense for the years ended December 31, 2025 and 2024 was $118 million and $107 million, respectively.

## 8. Goodwill

Changes in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 were as follows:

| (in millions) | | |
|---|---|---|
| **Balance at December 31, 2023** | $ | 623 |
| Acquisitions | | 21 |
| Effect of changes in foreign exchange rates | | (11) |
| **Balance at December 31, 2024**[(a)] | $ | 633 |
| Measurement period adjustments | | 1 |
| Effect of changes in foreign exchange rates | | 22 |
| **Balance at December 31, 2025**[(a)] | $ | 656 |

(a) Net of accumulated impairment losses of $137 million as of December 31, 2025 and 2024.

UL Solutions tests goodwill for impairment annually in the fourth quarter, or more frequently if an event occurs or conditions change that would indicate it is more likely than not that the fair value of a reporting unit is below its carrying amount. As a result of the goodwill impairment assessment, the Company concluded that it is more likely than not that the fair value of each reporting unit exceeds its carrying value and therefore did not recognize any impairments of goodwill for the years ended December 31, 2025 or 2024.

## 9. Intangible Assets

The following tables summarize intangible assets as of December 31:

| | | 2025 | | | | | |
|---|---|---|---|---|---|---|---|
| (in millions) | Life | | Gross Carrying Amount | | Accumulated Amortization | | Net Carrying Amount |
| Customer relationships | 5 - 20 years | $ | 268 | $ | (226) | $ | 42 |
| Intellectual property and patents | 3 - 15 years | | 16 | | (14) | | 2 |
| Trademarks | 5 - 13 years | | 20 | | (16) | | 4 |
| Total | | $ | 304 | $ | (256) | $ | 48 |

| | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|
| (in millions) | Life | | Gross Carrying Amount | | Accumulated Amortization | | Net Carrying Amount |
| Customer relationships | 5 - 20 years | $ | 261 | $ | (211) | $ | 50 |
| Intellectual property and patents | 3 - 15 years | | 15 | | (11) | | 4 |
| Trademarks | 5 - 13 years | | 21 | | (17) | | 4 |
| Total | | $ | 297 | $ | (239) | $ | 58 |

### Intangible Asset Amortization Expense

Intangible asset amortization expense, reported within operating expenses within the Consolidated Statements of Changes in Net Assets, was $13 million for both the years ended December 31, 2025 and 2024.

As of December 31, 2025, estimated future amortization expense for intangible assets is as follows:

| (in millions) | | |
|---|---|---|
| 2026 | $ | 15 |
| 2027 | | 12 |
| 2028 | | 6 |
| 2029 | | 5 |
| 2030 | | 3 |

### 10. Pension and Postretirement Benefit Plans

### Pension

The Company has various non-contributory defined benefit pension plans covering certain employees and retired employees of the Company and its subsidiaries. The benefits are based on years of service and participant compensation. The majority of the Company's defined benefit plans are closed to new entrants. The Company uses the spot rate approach for calculating service cost and interest cost.

The following table provides a reconciliation of changes in the defined benefit pension obligations and fair value of plan assets for the years ended December 31, and a statement of funded status as of December 31:

| | U.S. | | Non U.S. | |
|---|---|---|---|---|
| (in millions) | 2025 | 2024 | 2025 | 2024 |
| **Change in projected benefit obligation** | | | | |
| Projected benefit obligation at beginning of year | $ 329 | $ 336 | $ 135 | $ 133 |
| Service cost | 1 | 2 | 5 | 5 |
| Interest cost | 16 | 16 | 4 | 3 |
| Curtailment[(a)] | (12) | — | — | — |
| Settlements[(b)] | — | — | (18) | — |
| Benefits paid | (22) | (16) | (5) | (5) |
| Actuarial loss (gain) | 6 | (9) | (11) | 8 |
| Other | — | — | 7 | — |
| Exchange rate loss (gain) | — | — | 10 | (9) |
| Projected benefit obligation at end of year | 318 | 329 | 127 | 135 |
| **Change in fair value of plan assets** | | | | |
| Fair value of plan assets at beginning of year | 232 | 208 | 53 | 56 |
| Actual return on plan assets | 34 | 21 | — | 4 |
| Employer contribution | 43 | 19 | 4 | 2 |
| Settlements[(b)] | — | — | (17) | |
| Benefits paid | (22) | (16) | (5) | (5) |
| Other | — | — | 6 | — |
| Exchange rate gain (loss) | — | — | 3 | (4) |
| Fair value of plan assets at end of year | 287 | 232 | 44 | 53 |
| Underfunded status of plans | $ (31) | $ (97) | $ (83) | $ (82) |
| **Amounts recognized in Consolidated Balance Sheets** | | | | |
| Non-current assets | $ — | $ — | $ 8 | $ 7 |
| Current liabilities | — | — | (1) | (1) |
| Non-current liabilities | (31) | (97) | (90) | (88) |
| Net liability at end of year | $ (31) | $ (97) | $ (83) | $ (82) |
| **Amounts recognized in net assets without donor restrictions** | | | | |
| Net actuarial (loss) gain | $ (25) | $ (53) | $ 1 | $ (7) |
| Net amount recognized | $ (25) | $ (53) | $ 1 | $ (7) |

(a) During 2025, UL Solutions adopted an amendment related to its U.S. defined benefit pension plan to freeze all future benefit accruals effective December 31, 2025. The freeze resulted in a curtailment, which reduced the projected benefit obligation by $12 million, with a corresponding decrease in net assets on the Company's Consolidated Balance Sheet. There was no impact on the Company's Consolidated Statement of Changes in Net Assets.

(b) During 2025, the Company's qualified pension plan in Canada purchased a group annuity contract to transfer the future benefit obligations of all inactive members of its plan to an insurance company. The annuity purchase resulted in a partial plan settlement, which reduced the projected benefit obligation by $16 million. The annuity purchase was funded by plan assets, and as such had no net impact on the Company's Consolidated Balance Sheet. The impact on the Company's Consolidated Statement of Changes in Net Assets was immaterial.

Total benefits cost and amounts recognized in net assets without donor restrictions for the years ended December 31 were as follows:

| (in millions) | U.S. 2025 | U.S. 2024 | Non U.S. 2025 | Non U.S. 2024 |
|---|---|---|---|---|
| **Components of net periodic benefit cost** | | | | |
| Service cost | $ 1 | $ 2 | $ 5 | $ 5 |
| Interest cost | 16 | 16 | 4 | 3 |
| Expected return on plan assets | (13) | (13) | (2) | (2) |
| Settlement gain | — | — | (1) | — |
| Amortization of net actuarial loss | 2 | 3 | — | — |
| Net periodic benefit cost | $ 6 | $ 8 | $ 6 | $ 6 |
| **Amounts recorded in net assets without donor restrictions** | | | | |
| Balance at beginning of the year | $ 53 | $ 74 | $ 7 | $ (1) |
| Net actuarial (gain) loss | (14) | (18) | (8) | 7 |
| Curtailment gain | (12) | — | — | — |
| Amortization of net actuarial loss | (2) | (3) | — | — |
| Exchange rate loss | — | — | — | 1 |
| Balance at end of the year | $ 25 | $ 53 | $ (1) | $ 7 |

The service cost component of net periodic benefit cost is recorded in operating expenses. The other components of net periodic benefit cost are recorded in other (expense) income, net.

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

| (in millions) | U.S. | Non U.S. | Total |
|---|---|---|---|
| 2026 | $ 51 | $ 5 | $ 56 |
| 2027 | 32 | 6 | 38 |
| 2028 | 29 | 6 | 35 |
| 2029 | 28 | 6 | 34 |
| 2030 | 27 | 7 | 34 |
| Years 2031 through 2035 | 111 | 42 | 153 |

The Company anticipates contributing approximately $11 million to its U.S. pension plans and approximately $4 million to its non U.S. pension plans in 2026.

The weighted average assumptions used in the measurement of the benefit obligations at December 31 were as follows:

| | U.S. 2025 | U.S. 2024 | Non U.S. 2025 | Non U.S. 2024 |
|---|---|---|---|---|
| Discount rate | 5.5% | 5.7% | 1.2 - 4.9% | 0.9 - 4.6% |
| Rate of compensation increase | n/a[(a)] | 4% for 2024 and 2025, 3% for 2026+ | 1.4 - 4.0% | 1.6 -4.0% |

(a) not applicable

The weighted average assumptions used in the measurement of the net periodic benefit costs for the years ended December 31 were as follows:

| | U.S. | | Non U.S. | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Discount rate | 5.7 % | 5.0 % | 0.9 - 4.6% | 1.3 - 4.7% |
| Expected return on plan assets | 6.9 % | 6.9 % | 2.4 - 4.9% | 2.4 - 5.6% |
| Rate of compensation increase | n/a[(a)] | 4.0% for 2024<br>3.0% for 2025+ | 1.6 - 4.0% | 0.0 - 4.0% |

(a) not applicable

The expected rate of return on plan assets is determined based on long-term historical performance of plan assets, current asset allocation and expected future long-term asset returns.

The Company determines the discount rate used to measure plan liabilities as of the December 31 measurement date for the pension and postretirement benefit plans, which is also the date used for the related annual measurement assumptions. The Company uses the full Aon AA Above Median Yield Curve rather than a single discount rate.

The accumulated benefit obligation for all U.S. defined benefit pension plans was $318 million and $313 million at December 31, 2025 and 2024, respectively. The accumulated benefit obligation for all Non U.S. defined benefit pension plans was $101 million and $111 million at December 31, 2025 and 2024, respectively. The table below outlines the projected benefit obligations and the accumulated benefit obligations in excess of plan assets at December 31:

| | U.S. | | Non U.S. | |
|---|---|---|---|---|
| (in millions) | 2025 | 2024 | 2025 | 2024 |
| Projected benefit obligation | $ 318 | $ 329 | $ 102 | $ 100 |
| Accumulated benefit obligation | 318 | 313 | 78 | 77 |
| Fair value of plan assets | 287 | 232 | 11 | 11 |

**Pension Assets**

The assets in the investment portfolio for defined benefit pension plans are diversified in a manner that is intended to achieve the return objective and reduce the volatility of returns on the assets. The Company's investment objective is to ensure that funds are available to meet the plans' benefit obligations when they become due. The overall investment strategy is to prudently invest plan assets into diversified equity and debt securities, as well as alternative investments, to achieve long-term return expectations. The plan relies on a total return strategy in which investment returns consist of both capital appreciation (both realized and unrealized), as well as current yield (interest and dividends) over a long-term period.

The following tables present the Company's fair value hierarchy (as defined in Note 1) for those pension assets measured at fair value at December 31:

| | 2025 | | | |
|---|---|---|---|---|
| (in millions) | Level 1 | Level 2 | Level 3 | Total Asset Balance |
| **U.S.** | | | | |
| Cash and cash equivalents | $ 2 | $ — | $ — | $ 2 |
| Commingled fixed income | — | 58 | — | 58 |
| Fixed-income mutual funds | 30 | — | — | 30 |
| Equity securities | 85 | — | — | 85 |
| Commingled equities | — | 57 | — | 57 |
| Real estate mutual funds | 13 | — | — | 13 |
| Private real estate | — | — | 4 | 4 |
| Total U.S. assets in the fair value hierarchy | 130 | 115 | 4 | 249 |
| Hedge funds[(a)] | | | | 38 |
| Total U.S. investments at fair value | | | | 287 |
| **Non U.S.** | | | | |
| Cash and cash equivalents | 7 | — | — | 7 |
| Commingled funds | — | 15 | — | 15 |
| Other | — | — | 22 | 22 |
| Total non U.S. assets | 7 | 15 | 22 | 44 |
| Total pension assets | | | | $ 331 |

(a) In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets. The terms and conditions of the Company's hedge fund investments vary; however, the majority of the Company's hedge fund investments may be redeemed quarterly with redemption notice periods between 45-90 days. The Company does not intend to sell or otherwise dispose of these investments at prices different than the net asset value per share.

| | 2024 | | | |
|---|---|---|---|---|
| (in millions) | Level 1 | Level 2 | Level 3 | Total Asset Balance |
| **U.S.** | | | | |
| Cash and cash equivalents | $ 1 | $ — | $ — | $ 1 |
| Commingled fixed income | — | 44 | — | 44 |
| Fixed-income mutual funds | 26 | — | — | 26 |
| Equity securities[(a)] | 64 | — | — | 64 |
| Commingled equities | — | 48 | — | 48 |
| Real estate mutual funds | 10 | — | — | 10 |
| Private real estate | — | — | 5 | 5 |
| Total U.S. assets in the fair value hierarchy | 101 | 92 | 5 | 198 |
| Hedge funds[(b)] | | | | 34 |
| Total U.S. investments at fair value | | | | 232 |
| **Non U.S.** | | | | |
| Commingled funds | — | 30 | — | 30 |
| Other | — | — | 23 | 23 |
| Total non U.S. assets | — | 30 | 23 | 53 |
| Total pension assets | | | | $ 285 |

(a) The Company has reclassified the amounts presented to conform to the current period's presentation.

(b) Described in previous table.

The following table summarizes the changes in fair value of the Company's Level 3 pension assets:

| (in millions) | |
|---|---|
| **Balance at December 31, 2023** | $ 29 |
| Purchases, sales, and settlements, net | (2) |
| Unrealized gain | 1 |
| **Balance at December 31, 2024** | $ 28 |
| Purchases, sales, and settlements, net | (1) |
| Unrealized loss | (1) |
| **Balance at December 31, 2025** | $ 26 |

### Valuation Methods

The Company follows ASC Topic 820, Fair Value Measurement, in determining the fair value of plan assets within the Company's defined benefit pension plans.

Quoted market prices in active markets for all Level 1 investments were available at December 31, 2025 and 2024.

Level 2 investments include commingled funds invested in equity or fixed income investments in accordance with a stated set of fund objectives. The values of the commingled funds do not have publicly quoted prices in active markets and must trade through a broker. The fund administrator values the fund using the net asset value per fund share, derived from the quoted prices in active markets of the underlying securities.

Level 3 investments include several guaranteed investment contracts, government mandated pooled investments, and a private real estate fund. These investments do not have actively traded quotes as of December 31, 2025 and 2024, and require the use of unobservable inputs, such as indicative quotes from dealers, estimates provided by the fund managers and third-party property appraisals, to value these securities.

For the U.S. plan, the 2025 target investment allocation was 49% for equity strategies, 30% for fixed-income and cash strategies and 21% for alternative strategies. The 2024 target investment allocation was 48% for equity strategies, 30% for fixed-income and cash strategies and 22% for alternative strategies. Actual investment allocations may vary from target investment allocations due to prevailing market conditions. The Company regularly reviews actual investment allocations and periodically rebalances investments to achieve target allocations.

Actual pension plan asset allocations at December 31 were as follows:

| | U.S. | | Non U.S. | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Equity securities | 49% | 48% | 5% | 9% |
| Fixed-income securities | 31% | 30% | 28% | 49% |
| Alternatives | 19% | 21% | —% | —% |
| Other | —% | —% | 51% | 42% |
| Cash | 1% | 1% | 16% | —% |
| | 100% | 100% | 100% | 100% |

**Postretirement Benefit Plans**

The Company sponsors postretirement medical benefit plans for certain employees and former employees in the U.S. and Canada. The projected benefit obligation for these plans was $13 million and $12 million at December 31, 2025 and 2024, respectively. The net periodic benefit cost related to these plans for each of the years ended December 31, 2025 and 2024, as well as the expected contributions to these plans in 2026, is immaterial. The plans are closed to new entrants.

**Defined Contribution Plans**

The Company sponsors various defined contribution savings plans in the U.S., as well as certain international locations, that allow employees to contribute a portion of their pre-tax and/or after-tax income in accordance with plan specified guidelines. Under specified conditions, the Company will contribute to certain savings plans based on the employee’s eligible pay and/or will match a percentage of the employee contributions up to certain limits. For the years ended December 31, 2025 and 2024, the Company’s contributions were $61 million and $50 million, respectively.

## 11. Income Taxes

UL Research Institutes is a nonprofit organization exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. UL Research Institute is the sole member of UL Standards & Engagement which is a nonprofit organization exempt from Federal income taxes under section 501(c)(4) of the Internal Revenue Code. The Company owns various subsidiaries that are for-profit entities and subject to income tax in their respective jurisdictions.

Components of operating income and non-operating activity before taxes at December 31 were as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Domestic | $ 865 | $ 260 |
| Foreign | 459 | 435 |
| Operating income and non-operating activity before taxes | $ 1,324 | $ 695 |

Components of the provision (benefit) for income taxes at December 31 were as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Current tax provision | | |
| U.S. Federal | $ 2 | $ (3) |
| U.S. State | 3 | 5 |
| Foreign | 118 | 73 |
| Deferred tax provision | | |
| U.S. Federal | 10 | (6) |
| U.S. State | 2 | 6 |
| Foreign | (10) | (5) |
| Total income tax provision | $ 125 | $ 70 |

The 12% difference between the Company's effective tax rate and the U.S. federal statutory income tax rate in 2025 was primarily due to ULSE Inc's and Underwriters Laboratories Inc's tax-exempt statuses, which generated a 14% reduction to the U.S. federal statutory tax rate. The remaining difference is due to UL Solutions' state and foreign tax jurisdictions, which generated a 2% increase versus the U.S. federal statutory tax rate in 2025.

Reconciliation of the U.S. federal statutory rate to the Company's effective tax rate for the year ended December 31, 2024 is as follows:

| | 2024 |
|---|---|
| U.S. Federal Statutory Rate | 21.0 % |
| Effect of: | |
| Foreign income taxed at different rates | (2.5)% |
| U.S. tax on foreign activities | 0.4 % |
| State and local income taxes, net of federal benefit | 1.2 % |
| U.S. nondeductible compensation | 1.1 % |
| U.S. tax-exempt organization | (8.5)% |
| Release of uncertain tax positions for lapse of statuses | (2.8)% |
| Other reconciling items, net | 0.2 % |
| Effective tax rate | 10.1 % |

Of the 1.1% U.S. nondeductible compensation in 2024, 1.0% is for the reduction to previously established deferred tax assets due to the Company becoming subject to Section 162(m) of the U.S. Internal Revenue Code, which limits U.S. public company compensation expenses of certain executive officers that were previously deductible as a private company. The remainder is current year compensation expense limitations.

UL Solutions' other reconciling items consist of non-deductible expenses such as meals and entertainment, transaction costs related to merger and acquisition activities, movement in valuation allowances, and general business credits such as research and development tax credits.

Components of the deferred income tax assets and liabilities at December 31 were as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| **Deferred tax assets** | | |
| Accrued pension and postretirement liabilities | $ 23 | $ 38 |
| Accrued employee benefits | 43 | 41 |
| Other accrued expenses | 15 | 7 |
| Net operating loss carryforward | 64 | 44 |
| Advance payments | 37 | 39 |
| Operating lease liabilities | 44 | 46 |
| Capitalized research and development | 10 | 18 |
| Foreign tax credit | 15 | 12 |
| Other | 18 | 12 |
| Subtotal (before valuation allowances) | 269 | 257 |
| Valuation allowances | (80) | (53) |
| Total deferred tax assets | 189 | 204 |
| **Deferred tax liabilities** | | |
| Basis difference for intangible assets | (42) | (38) |
| Basis difference for fixed assets | (10) | (20) |
| Operating lease right-of-use assets | (41) | (45) |
| Tax on unrepatriated earnings | (7) | (6) |
| Other | (14) | (10) |
| Total deferred tax liabilities | (114) | (119) |
| Net deferred income tax assets | $ 75 | $ 85 |

Deferred income taxes are recorded on the Consolidated Balance Sheets on a net basis by taxing jurisdiction. As of December 31, 2025, UL Solutions had a net deferred income tax asset of $75 million, which consisted of $94 million classified as deferred income taxes and $19 million included within other liabilities. As of December 31, 2024, UL Solutions had a net deferred income tax asset of $85 million, which consisted of $108 million classified as deferred income taxes and $23 million included within other liabilities.

As of December 31, 2025, UL Solutions has approximately $64 million of deferred tax assets related to net operating loss (“NOL”) carryforwards primarily attributable to foreign affiliates. If not used, $9 million of deferred tax assets will be written off to reflect the reduction of the NOL carryforwards that will expire between 2026 and 2045, while the remaining carryforward is indefinite. The use of certain NOL carryforwards is limited due to rules regarding acquired tax attributes, loss sharing between group members, and business continuity. The valuation allowances represent a reduction to deferred tax assets, including certain NOLs, for which the realization is unlikely.

UL Solutions has not recognized deferred tax liabilities in the U.S. with respect to its outside basis differences in most foreign affiliates. It is not practicable to determine the amount of unrecognized deferred tax liabilities on these earnings.

### Income Taxes Paid

Income taxes paid net of refunds received for the year ended December 31:

| (in millions) | 2025 |
|---|---|
| U.S. state and local | $ 5 |
| Mainland China | 34 |
| Singapore | 15 |
| Japan | 8 |
| Netherlands | 6 |
| Taiwan | 5 |
| Other | 19 |
| Total | $ 92 |

### Uncertain Tax Positions

The total unrecognized tax benefits that, if recognized, would affect the Company’s effective tax rate were $7 million and $6 million as of December 31, 2025 and 2024, respectively. UL Solutions had accrued for interest and penalties of $2 million and $3 million as of December 31, 2025 and 2024, respectively, which are included within other liabilities in the Company’s Consolidated Balance Sheets.

The Company is under audit in multiple state and foreign tax jurisdictions. The timing of the resolution of income tax examinations is uncertain as are the amounts and timing of tax payments that are part of any audit settlement process. These events could cause fluctuations in the balance sheet classification of our tax assets and liabilities.

In the United States, the Company has open years ranging from 2016 to 2025 and significant foreign jurisdictions still open for audit between 2010 and 2025. The Company believes sufficient provision has been made for potential adjustments for all years that are not closed by the statute in all major tax jurisdictions and that any such adjustments would not have a material adverse effect on the Company’s financial position, liquidity, or results of operations.

On July 4, 2025, the One Big Beautiful Bill Act (the “OBBBA”) was enacted in the U.S. The OBBBA includes several corporate tax provisions that apply to the Company, such as the permanent extension of certain expiring provisions of the U.S. Tax Cuts and Jobs Act and modifications to the international tax framework and business interest expense limitations. The Company has assessed the impact of the OBBBA and has determined that there is no material impact to its consolidated financial statements.

## 12. Long-term Debt

The Company's outstanding long-term debt consisted of the following:

| (in millions) | Currency | Maturity Date | As of December 31, 2025 | As of December 31, 2024 |
|---|---|---|---|---|
| Term loans | USD | January 2027[a] | $ — | $ 444 |
| Revolving credit facility | USD | October 2030 | 191 | — |
| Senior notes | USD | October 2028 | 300 | 300 |
| Other | USD | August 2033 | 3 | 3 |
| Total debt | | | 494 | 747 |
| Less: unamortized debt issuance costs | | | (3) | (5) |
| Total debt, net of unamortized debt issuance costs | | | 491 | 742 |
| Less: current portion of long-term debt | | | — | (50) |
| **Long-term debt** | | | $ 491 | $ 692 |

(a) The term loans were repaid and terminated in connection with entry into the 2025 Credit facility. See Below.

The interest rate on the revolving credit facility was 4.78% as of December 31, 2025. The interest rate on the outstanding term loans was 5.58% as of December 31, 2024. Borrowings under the senior notes bear a fixed interest rate of 6.500% per annum.

*2022 Credit Facility*

In January 2022, UL Solutions entered into a credit agreement with Bank of America, N.A. and certain other lenders, which provided for senior unsecured credit facilities in an aggregate principal amount of $1.25 billion (collectively, and as amended, the “2022 Credit Facility”), consisting of term loans in an initial aggregate principal amount of $500 million and revolving loan commitments in an initial aggregate commitment amount of $750 million (including a $25 million sub-facility for letters of credit). The 2022 Credit Facility included an accordion feature permitting an increase in the 2022 Credit Facility by an aggregate amount of up to $625 million (of which up to $400 million may consist of term loans), subject to the consent of any lenders providing such increase, the absence of any default or event of default and entry into customary documentation with respect to such increase. UL Solution’s wholly owned subsidiary, UL LLC, a Delaware limited liability company, provided a guaranty of its obligations thereunder. The 2022 Credit Facility was set to mature in January 2027 and could be prepaid without fees or penalties. UL Solutions had $6 million outstanding in letters of credit, surety bonds, and performance and other guarantees with financial institutions as of December 31, 2024 under the 2022 Credit Facility.

In June 2024, UL Solutions entered into an amendment (the “First Credit Facility Amendment”) to the 2022 Credit Facility with Bank of America, N.A. and certain other lenders. The First Credit Facility Amendment provided, among other things, for (i) the replacement of the Bloomberg Short-term Bank Yield (“BSBY”) with Term SOFR plus a SOFR adjustment as a benchmark rate for interest periods commencing subsequent to June 28, 2024; (ii) UL Solutions Inc., which was previously the guarantor of the facility, became the named borrower, and UL LLC, which was previously the named borrower, became the guarantor.

Effective from the date of the First Credit Facility Amendment, borrowings under the 2022 Credit Facility bore interest at a rate per annum equal to, at UL Solutions' option, (a) in the case of U.S. dollar loans, the Term SOFR plus a SOFR adjustment of 0.1% plus a margin, and for all other currencies, a specified benchmark rate for the applicable currency plus, in certain instances, a specified spread adjustment plus a margin (loans with a rate based on this clause (a), “benchmark rate loans”) or (b) for U.S. dollar loans only, the base rate plus a margin (loans with a rate based on this clause (b), “base rate loans”). Prior to the First Credit Facility Amendment, borrowings bore interest on the same terms with the exception that the BSBY Index rate plus a margin was used as the base rate in place of Term SOFR. As of December 31, 2024, the margin was 1.125% for benchmark rate loans and 0.125% for base rate loans but could be adjusted based on UL Solutions' most recently tested consolidated net leverage ratio and could vary from 1.0% to 1.5% for benchmark rate loans and 0% to 0.5% for base rate loans. The unused commitment fee could vary from 0.1% to 0.2% based on UL Solutions' most recently tested consolidated net leverage ratio.

The 2022 Credit Facility also included a financial covenant tested quarterly which required UL Solutions to maintain a consolidated net leverage ratio of not greater than 3.5 to 1.0, calculated on a consolidated basis for each consecutive four fiscal quarter period, with an increase in the maintenance level to 4.0 to 1.0 for each of the four test periods immediately following any permitted acquisition that involves the payment of aggregate consideration in excess of $100 million, subject to a two fiscal quarter rest period between increases for separate acquisitions. The calculation of the consolidated net leverage ratio permitted the netting of up to $250 million of unrestricted cash from funded debt.

The 2022 Credit Facility included customary representations and warranties, covenants and events of default, subject to certain customary exceptions, materiality thresholds and grace periods. The covenants included, among other things, financial reporting, maintenance of line of business, notices of default and other material changes, as well as limitations on investments and acquisitions, mergers and transfers of all or substantially all assets, dividends and distributions, burdensome contracts with affiliates, liens and indebtedness. Future borrowings under the 2022 Credit Facility were subject to the satisfaction of customary conditions, including the absence of any default or event of default and the accuracy of representations and warranties.

As described below, in connection with the entry into the 2025 Credit Facility, UL Solutions repaid in full all indebtedness and other obligations outstanding under, and terminated, the 2022 Credit Facility.

*2025 Credit Facility*

In October 2025, UL Solutions entered into a credit agreement, by and UL Solutions and certain of its non-U.S. subsidiaries as co-borrowers (collectively, the “Borrowers”), Bank of America, N.A., as administrative agent, and the lenders party thereto (the “Credit Agreement”).

The Credit Agreement provides for a $1.0 billion senior unsecured five-year multi-currency revolving facility (collectively, and as amended, the “2025 Credit Facility”), with a $25 million sub-limit for the issuance of letters of credit. The Credit Agreement includes an accordion feature permitting an increase in the 2025 Credit Facility by an aggregate amount of up to $500 million, subject to the consent of any lenders providing such increase, the absence of any default or event of default and entry into customary documentation with respect to such increase. The Borrowers’ obligations (other than UL Solutions) under the Credit Agreement are guaranteed by UL Solutions. Initial proceeds were used to refinance the outstanding amounts under the 2022 Credit Facility. The 2025 Credit Facility matures on October 28, 2030 and may be prepaid without fees or penalties, subject to reimbursement of the lenders’ customary breakage and redeployment costs in applicable cases. UL Solutions had $6 million outstanding letters of credit under the 2025 Credit Facility as of December 31, 2025.

Borrowings under the 2025 Credit Facility bear interest at a rate per annum equal to, at the applicable Borrower’s option, (a) a specified benchmark rate for the applicable currency (which, in the case of U.S. Dollar loans, shall be the Term SOFR (as defined in the Credit Agreement)), plus a margin that ranges from 0.875% to 1.375% per annum or (b) for U.S. Dollar loans made to UL Solutions only, a base rate (which is equal to the highest of (i) the Bank of America prime rate, (ii) the U.S. federal funds rate plus 0.5% per annum, or (iii) the Term SOFR rate plus 1%) plus a margin that ranges from 0.0% to 0.375% per annum. The unused commitment fee varies from 0.090% to 0.175% based on UL Solutions' current debt rating and its most recently tested consolidated net leverage ratio.

The 2025 Credit Facility also includes a financial covenant, tested quarterly, which requires UL Solutions to maintain a consolidated net leverage ratio of not greater than 3.5 to 1.0, calculated on a consolidated basis for each consecutive four fiscal quarter period, with an increase in the maintenance level to 4.0 to 1.0 for each of the four test periods immediately following any permitted acquisition that involves the payment of aggregate consideration in excess of $100 million, commencing with the fiscal quarter in which such permitted acquisition occurred, subject to a two fiscal quarter rest period between increases for separate acquisitions. The calculation of the consolidated net leverage ratio permits the netting of up to $250 million of unrestricted cash from funded debt. As of December 31, 2025, UL Solutions was in compliance with all covenants under this facility.

The 2025 Credit Facility includes customary representations and warranties, covenants and events of default, subject to certain customary exceptions, materiality thresholds and grace periods. The covenants include, among other things, financial reporting, maintenance of line of business, notices of default and other material changes, as well as limitations on investments and acquisitions, mergers and transfers of all or substantially all assets, dividends and distributions, burdensome contracts with affiliates, liens and indebtedness. Future borrowings under the 2025 Credit Facility are subject to the satisfaction of customary conditions, including the absence of any default or event of default and the accuracy of representations and warranties.

*Senior Notes*

In October 2023, UL Solutions issued $300 million in aggregate principal amount of 6.500% senior notes due 2028 (the “notes”). The notes were sold to qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) and to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. The notes are senior unsecured obligations of UL Solutions Inc. and were unconditionally guaranteed by UL LLC, UL Solution’s wholly owned subsidiary, until October 2025. In connection with termination of the 2022 Credit Facility, the guaranty by UL LLC of UL Solutions' obligations under the notes was released. UL Solutions used the net proceeds from the offering of the notes, together with borrowings under the 2022 Credit Facility and cash on hand, to fund a $600 million special cash dividend, which was paid to UL Standards & Engagement in December 2023.

In connection with the issuance of the notes, UL Solutions entered into a registration rights agreement on the same date. In September 2025, pursuant to the registration rights agreement, UL Solutions completed an exchange offer, pursuant to which UL Solutions exchanged all of the outstanding notes for new 6.500% senior notes due 2028 registered under the Securities Act (the “exchange notes”). The terms of the exchange notes are substantially the same as the notes.

UL Solutions pays interest on the notes semi-annually in arrears on April 20 and October 20 of each year, which began on April 20, 2024.

Pursuant to the indenture that governs the notes (the “indenture”), there are certain limitations on the ability of UL Solutions and its restricted subsidiaries to create or incur liens and to enter into sale and leaseback transactions. The indenture also imposes certain limitations on the ability of UL Solutions to merge, consolidate or amalgamate with or into any other person (other than a merger of a wholly owned subsidiary into UL Solutions) or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of the property of UL Solutions in any one transaction or series of related transactions. These limitations are subject to significant exceptions.

If a change of control triggering event occurs, as defined in the indenture, UL Solutions will be required to offer to purchase the notes at a price equal to 101% of their principal amount, together with accrued and unpaid interest, if any. UL Solutions may also redeem some or all of the notes at any time prior to their maturity pursuant to the indenture’s provisions and limitations.

As of December 31, 2025, the remaining aggregate scheduled principal repayments of UL Solutions' long-term debt are as follows:

| (in millions) | | |
|---|---|---|
| 2026 | $ | — |
| 2027 | | — |
| 2028 | | 300 |
| 2029 | | — |
| 2030 | | 191 |
| Thereafter | | 3 |
| Total | $ | 494 |

**13. Leases**

The Company has operating leases for real estate, vehicles and equipment. Operating leases are included in operating lease right-of-use assets, operating lease liabilities - current, and operating lease liabilities in the Consolidated Balance Sheets. Amounts recognized for finance leases as of and for the years ended December 31, 2025 and 2024 were immaterial.

Lease costs incurred by lease type, and/or type of payment for the annual periods ending December 31 were as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Short-term lease cost | 4 | 2 |
| Operating lease cost | 56 | 53 |
| Variable lease cost | 37 | 28 |
| Total lease cost | $ 97 | $ 83 |

Other supplemental quantitative disclosures for the years ended December 31 are as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | $ 53 | $ 52 |
| Right-of-use assets obtained in exchange for operating lease liabilities | 30 | 85 |
| Weighted-average remaining lease term (in years) - operating leases | 6.54 | 7.01 |
| Weighted-average discount rate - operating leases | 4.44 % | 4.11 % |

Estimated undiscounted future lease payments under non-cancellable operating leases as of December 31, 2025, are as follows:

| (in millions) | Operating Lease Liabilities |
|---|---|
| 2026 | $ 53 |
| 2027 | 43 |
| 2028 | 35 |
| 2029 | 28 |
| 2030 | 21 |
| Thereafter | 72 |
| Total undiscounted future cash flows | 252 |
| Less: imputed interest | 36 |
| Present value of future cash flows | $ 216 |

### 14. Net Assets

The following table summarizes the changes in net assets attributable to UL Research Institutes and non-controlling interests.

| (in millions) | UL Research Institutes | Non-controlling Interests | Total |
|---|---|---|---|
| **Net assets without donor restrictions** | | | |
| **Balance at December 31, 2023** | $ 2,920 | $ 24 | $ 2,944 |
| Operating income and non-operating activity | 541 | 84 | 625 |
| Foreign currency translation loss | (31) | (8) | (39) |
| Pension and postretirement benefit plans, net of tax of $8 | 13 | 5 | 18 |
| Proceeds from initial public offerings | 1,893 | 231 | 2,124 |
| Stock-based compensation | 35 | 10 | 45 |
| Dividend to non-controlling interest | — | (33) | (33) |
| Other | (3) | 3 | — |
| **Balance at December 31, 2024** | $ 5,368 | $ 316 | $ 5,684 |
| Operating income and non-operating activity | 1,076 | 123 | 1,199 |
| Foreign currency translation gain | 31 | 17 | 48 |
| Pension and postretirement benefit plans, net of tax of $5 | 17 | 8 | 25 |
| Proceeds from public offerings | 1,000 | 89 | 1,089 |
| Stock-based compensation | 45 | 21 | 66 |
| Dividend to non-controlling interest | — | (50) | (50) |
| Other | (5) | 5 | — |
| **Balance at December 31, 2025** | $ 7,532 | $ 529 | $ 8,061 |

### 15. Stock-based and Other Incentive Compensation

In April 2024, the UL Solutions Inc. 2024 Long-Term Incentive Plan (the “2024 LTIP”) became effective and the Company reserved for issuance 20,000,000 shares of Class A common stock in connection with the 2024 LTIP and the UL Solutions Inc. Long-Term Incentive Plan (the “Pre-IPO LTIP”), as well as 5,000,000 additional shares of Class A common stock reserved for issuance under the UL Solutions Inc. 2024 Employee Stock Purchase Plan (the “2024 ESPP”). Upon settlement of stock-based compensation awards, shares of Class A common stock are issued in respect of such awards. Equity awards that are granted and subsequently expire, are cancelled, forfeited, or are used to satisfy required withholding taxes are recycled back into the total number of shares available for issuance under the 2024 LTIP and the Pre-IPO LTIP. As of December 31, 2025, 19,248,048 shares remain available for issuance under the 2024 LTIP and the Pre-IPO LTIP and 4,725,988 shares remain available for issuance under the 2024 ESPP.

Equity awards are issued to certain employees and officers, including named executive officers, in order to attract, motivate and retain talent and to maximize their contribution to the long-term success of UL Solutions. Equity awards are also used as part of the compensation provided to the UL Solutions' board of directors in the form of restricted stock units. Directors may elect to defer receipt of some or all of their annual cash retainer amounts, which are converted into restricted stock units when and as such cash retainer amounts would have otherwise been paid, for either 5 years, 10 years or until termination of service from the board.

UL Solutions has outstanding awards under the Pre-IPO LTIP, the majority of which will be settled in shares of Class A common stock.

Stock-based compensation expense (benefit) for the years ended December 31 was recorded in operating expenses as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Stock-based compensation expense | $ 50 | $ 33 |
| Income tax (benefit) | (9) | (4) |
| **Stock-based compensation expense, net** | $ 41 | $ 29 |
| | | |
| **Stock-based compensation expense by type of award** | | |
| Restricted stock units | $ 21 | $ 10 |
| Performance share units | 16 | 7 |
| Stock options | 5 | 4 |
| Stock-settled stock appreciation rights | 2 | 2 |
| Employee stock purchase plan | 3 | — |
| Cash-settled awards | 3 | 10 |
| **Stock-based compensation expense** | $ 50 | $ 33 |

### Restricted Stock Units

Restricted stock units (“RSUs”) represent the right to receive shares of Class A common stock and are generally subject to continued employment through a three-year ratable vesting period.

The following table summarizes the activity related to UL Solutions' RSUs during the year ended December 31, 2025:

| | Number of RSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| **Outstanding as of December 31, 2024** | 802,211 | 35.70 |
| Granted | 570,865 | 59.76 |
| Vested | (267,475) | 35.75 |
| Forfeited | (73,454) | 43.98 |
| **Outstanding as of December 31, 2025** | 1,032,147 | 48.40 |

The weighted average grant date fair value per share of RSU granted was $59.76 and $35.65 for the years ended December 31, 2025 and 2024, respectively. The total fair value of RSUs that vested during the year was $16 million for the year ended December 31, 2025. As of December 31, 2025, total unrecognized compensation expense related to RSUs was $27 million and is expected to be recognized over the remaining weighted-average vesting period of 1.9 years.

**Performance Share Units**

Performance share units ("PSUs") represent the right to receive shares of Class A common stock based on the achievement of certain performance conditions and are generally subject to continued employment through a three-year cliff vesting period. The performance conditions are based on company-wide non-GAAP revenue and operating income metrics and the number of Class A common shares issued may range from 0% to a maximum potential value of 200% of the award's target value based on the satisfaction of the applicable metrics over a three-year cumulative performance period.

The following table summarizes the activity related to UL Solutions' PSUs during the year ended December 31, 2025:

| | Number of PSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| **Outstanding as of December 31, 2024** | 370,766 | 34.85 |
| Granted | 259,174 | 57.62 |
| Forfeited | (16,295) | 39.76 |
| **Outstanding as of December 31, 2025** | 613,645 | 44.34 |

The weighted average grant date fair value per share of PSU granted was $57.62 and $34.85 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, total unrecognized compensation expense related to PSUs was $16 million and is expected to be recognized over the remaining weighted-average vesting period of 1.7 years.

**Stock Options**

In connection with the IPO, UL Solutions granted nonqualified stock options to UL Solutions' executive team, including named executive officers, and other key employees under the 2024 LTIP. Stock options represent the right to purchase shares of Class A common stock and are generally subject to continued employment through a three-year cliff vesting period. Stock options expire ten years from the grant date.

The following table summarizes the activity related to the UL Solutions' stock options during the year ended December 31, 2025:

| | Number of Stock Options | Weighted Average Exercise Price | Weighted Average Remaining Term | Aggregate Intrinsic Value (in millions) |
|---|---|---|---|---|
| **Outstanding as of December 31, 2024** | 1,994,580 | $ 28.00 | 9.3 years | $ 44 |
| Forfeited | (38,265) | 28.00 | | |
| **Outstanding as of December 31, 2025** | 1,956,315 | $ 28.00 | 8.3 years | $ 99 |
| **Exercisable as of December 31, 2025** | — | | | |

The weighted average grant date fair value per share of stock options granted was $7.84 for the year ended December 31, 2024.

The following table summarizes the assumptions used in the Black-Scholes-Merton option-pricing model that was used to estimate the fair value of the stock options at the grant date:

| | April 12, 2024 |
|---|---|
| Expected dividend yield | 1.79% |
| Risk-free interest rate | 4.48% |
| Weighted average volatility | 24.50% |
| Expected life (in years) | 6.50 |

As of December 31, 2025, total unrecognized compensation expense related to stock options was $7 million and is expected to be recognized over the remaining weighted-average vesting period of 1.3 years.

**Stock Appreciation Rights**

UL Solutions has stock appreciation rights outstanding from its Pre-IPO LTIP, which represent the right to receive an amount based on the appreciation in the fair value of UL Solutions' Class A common stock from the grant date up to a specified date or dates. Prior to the IPO, all stock appreciation rights were Cash settled Stock Appreciation Rights (“CSARs”). Upon completion of the IPO, the majority of outstanding CSARs were converted to the same number of Stock-settled Stock Appreciation Rights (“SSARs”), which will be settled in shares of Class A common stock under the Pre-IPO LTIP. As equity-settled awards, the fair value of the SSARs was determined on the conversion date of April 16, 2024 and, generally, will not be remeasured unless the awards are modified.

The conversion of CSARs to SSARs at the completion of the IPO resulted in a reclassification of $26 million from accrued compensation and benefits and other liabilities to net assets on the Company’s Consolidated Balance Sheet. The CSARs were remeasured to fair value at the conversion date, which resulted in additional pre-tax compensation expense of $9 million in the second quarter of 2024, primarily within operating expenses. The pre-tax compensation expense reduced operating income by $9 million. As of December 31, 2025 and 2024, the unrecognized compensation expense related to the Company’s remaining CSARs and SSARs, as well as liabilities related to UL Solutions' outstanding CSARs, were immaterial.

### Performance Cash

The Company has Performance Cash awards outstanding from its Pre-IPO LTIP, which represent the right to receive an amount based on the achievement of certain performance conditions and are generally subject to continued employment through a three-year cliff vesting period. The amount may range from 0% to a maximum potential value of 200% of the award's target value based on the satisfaction of the performance conditions over a three-year cumulative performance period. Prior to the IPO, all Performance Cash awards were settled in cash. Following the IPO, the majority of the outstanding Performance Cash awards will be settled in shares of Class A common stock under the Pre-IPO LTIP. During 2025, $16 million of Performance Cash was settled in Class A common stock, resulting in a reclassification from accrued compensation and benefits to net assets on the Company's Consolidated Balance Sheet.

Compensation expense related to Performance Cash awards for the years ended December 31 was recorded in operating expenses as follows:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Performance Cash compensation expense | $ 16 | $ 21 |
| Income tax benefit | (3) | (4) |
| Performance Cash compensation expense, net | $ 13 | $ 17 |

The Company had a short-term liability of $34 million and $17 million recorded in the Consolidated Balance Sheets to accrued compensation and benefits at December 31, 2025 and 2024, respectively. The Company had a long-term liability of $0 million and $19 million recorded within other liabilities in the Consolidated Balance Sheets at December 31, 2025 and 2024, respectively.

## 16. Commitments and Contingencies

Future minimum payments for noncancelable purchase obligations with a remaining term of over one year as of December 31, 2025, are payable as follows:

| (in millions) | Purchase Obligations |
|---|---|
| 2026 | $ 54 |
| 2027 | 31 |
| 2028 | 13 |
| 2029 | 9 |
| 2030 and thereafter | 22 |
| Total | $ 129 |

Purchase obligations exclude liabilities that are included on the Company's Consolidated Balance Sheet as of December 31, 2025 and include commitments for outsourced services, facilities, capital expenditures, cloud service arrangements and various other types of noncancelable contracts.

The Company's uncalled capital commitments relating to its private investment partnerships as of December 31, 2025 are as follows:

| (in millions) | Capital Commitment | Contributions to Date | Uncalled Commitment |
|---|---|---|---|
| Private equity | $ 395 | $ (125) | $ 270 |
| Venture capital | 182 | (83) | 99 |
| Private real estate | 122 | (47) | 75 |
| Private resources | 11 | (2) | 9 |
| Private credit | 42 | (13) | 29 |
| Private diversifier | 38 | (24) | 14 |
| Total | $ 790 | $ (294) | $ 496 |

*Loss Contingencies*

On February 11, 2026, a putative class action complaint was filed against Underwriters Laboratories Inc., UL LLC, UL Solutions, UL Standards and Engagement and UL Research Institutes (collectively, the “Defendants”) in the United States District Court for the Northern District of Illinois captioned John Martucci, on behalf of himself and the Putative Class v. Underwriters Laboratories Inc., et al., Case No. 1:26-cv-01561. The complaint alleges, among other things, that certain combination-listed single databus burglar and fire alarm system control units (the “Alarm Systems”) tested by the Defendants have defects that the Defendants concealed from and/or failed to disclose to consumers and that the Defendants listed the Alarm Systems as compliant with UL and National Fire Protection Association 72 standards when they were not compliant with such standards. The complaint seeks an order certifying a nationwide class and a New Jersey subclass; compensatory, actual, treble, statutory, punitive, and/or other damages; equitable relief, including restitution and disgorgement of profits; injunctive relief; declaratory relief; and pre and post judgment interest, attorneys’ fees and costs. The Company currently believes the claims are without merit and intends to vigorously defend against this action. A reasonable estimate of the amount of any possible loss or range of loss cannot be made at this time.

The Company is party in the ordinary course of business to certain claims, litigation, audits and investigations. The Company will record an accrual for a loss contingency when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company believes it has established adequate accruals for liabilities that are probable and reasonably estimable and that may be incurred in connection with any such currently pending or threatened matter, none of which are material. In the Company's opinion, the settlement of any such currently pending or threatened matter is not expected to have a material impact on the Company's financial position, changes in net assets, or cash flow.

## 17. Functional Expenses

The Company's nonprofit activities are composed of two functional programs: Research and Education & Outreach. The Research program is focused on the exploration of threats to human safety, and includes fire, battery, chemical, health safety research, and international safety. The Education & Outreach program performs communication of research insights through public education and outreach, such as youth safety awareness initiatives. In addition, UL Standards & Engagement translates research insights into practical innovations to advance human safety through the development of safety standards and proactive communication, advocacy and policy initiatives. The Company's commercial activities are performed by UL Solutions, which provides independent third-party testing, inspection and certification services and related software and advisory offerings to its customers.

Expenses that comprise the consolidated organization have been broken out for the years ended December 31 below:

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| (in millions) | Research | Education & Outreach | Functional Programs Administration | ULSE | UL Solutions | Total |
| Salaries and related benefits | $ 36 | $ 3 | $ 23 | $ 43 | $ 1,590 | $ 1,695 |
| General & other | 46 | 2 | 21 | 31 | 732 | 832 |
| Depreciation and amortization | 5 | — | 1 | 4 | 188 | 198 |
| Income taxes | — | — | — | — | 125 | 125 |
| Interest expense | — | — | — | — | 41 | 41 |
| Non-operating pension and postretirement benefits | — | — | — | — | 4 | 4 |
| Total | $ 87 | $ 5 | $ 45 | $ 78 | $ 2,680 | $ 2,895 |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| (in millions) | Research | Education & Outreach | Functional Programs Administration | ULSE | UL Solutions | Total |
| Salaries and related benefits | $ 29 | $ 2 | $ 20 | $ 39 | $ 1,526 | $ 1,616 |
| General & other | 31 | 2 | 19 | 26 | 689 | 767 |
| Depreciation and amortization | 4 | — | — | 4 | 172 | 180 |
| Income taxes | — | — | — | — | 70 | 70 |
| Interest expense | — | — | — | — | 55 | 55 |
| Non-operating pension and postretirement benefits | — | — | — | — | 7 | 7 |
| Total | $ 64 | $ 4 | $ 39 | $ 69 | $ 2,519 | $ 2,695 |

## 18. Restructuring

On November 4, 2025, UL Solutions announced an expense reduction initiative to further improve the operating model and exit certain lines of business that are no longer considered strategically important to UL Solutions (the “Restructuring Plan”). Inclusive of the charges recorded in 2025, UL Solutions expects to incur pre-tax charges associated with the Restructuring Plan of approximately $42-$47 million in the aggregate, consisting of $37-$42 million in cash charges relating to employee separation expenses and approximately $5 million in other cash charges, primarily relating to facility exits.

UL Solutions has incurred total costs to date of $33 million related to employee separation expenses and $4 million related to facility exits in connection with the Restructuring Plan. UL Solutions anticipates the Restructuring Plan will be substantially completed by the end of the first quarter of 2027, with the remaining charges primarily expected to be incurred in the first half of 2026.

UL Solutions has incurred the following charges related to the Restructuring Plan, as well as other qualifying restructuring expenses, for the years ended December 31:

| (in millions) | 2025 | 2024 |
|---|---|---|
| Employee separation expenses | $ 31 | $ (1) |
| Facility exits | 4 | — |
| **Total** | $ 35 | $ (1) |

The following table summarizes the changes in the Company's accrued restructuring balance:

| (in millions) | Employee separation expenses |
|---|---|
| **Liability balance as of December 31, 2023** | $ 4 |
| Restructuring | (1) |
| Cash payments | (1) |
| **Liability balance as of December 31, 2024** | $ 2 |
| Restructuring | 31 |
| Cash payments | (3) |
| **Liability balance as of December 31, 2025** | $ 30 |

UL Solutions had a short-term liability for its restructuring activities of $25 million and $2 million as of December 31, 2025 and December 31, 2024, respectively, which is recorded within other current liabilities on the Consolidated Balance Sheet. UL Solutions had a long-term liability for its restructuring activities of $5 million and $0 as of December 31, 2025, and December 31, 2024, respectively, which is recorded within other liabilities on the Consolidated Balance Sheet.

## 19. Subsequent Events

The Company has evaluated transactions through May 12, 2026, the date the consolidated financial statements were available to be issued. The Company is not aware of any subsequent events which would require recognition or disclosure in the consolidated financial statements, except as described in the following paragraphs.

The Company made additional private partnership investment commitments of $381 million after December 31, 2025, of which $105 million was funded prior to the issuance of the financial statements. These commitments are expected to be funded over the course of the investment period, which could last from approximately two to six years, pursuant to capital calls issued by the respective investment managers.

In February 2026, UL Solutions signed a definitive agreement to sell its Employee Health and Safety software business to an affiliate of Peak Rock Capital, a private investment firm. The divestiture was completed on April 1, 2026. The preliminary purchase price is approximately $202 million in cash consideration, subject to customary post-closing adjustments. UL Solutions expects the divestiture will result in a pre-tax gain on sale of approximately $191 million, which will be recorded as non-operating income in the second quarter of 2026. The divestiture does not qualify as discontinued operations, and therefore, its results are included within continuing operations for all periods presented. In connection with the board approval of the sale, UL Solutions reclassified all assets and liabilities of the business as held for sale during the first quarter of 2026. As of December 31, 2025 the assets and liabilities associated with the Employee Health and Safety software business were not yet reclassified to held for sale.

In April 2026, Underwriters Laboratories Holdings B.V. (“ULH”), a wholly owned subsidiary of UL Solutions, and UL Solutions as guarantor, entered into a sale and purchase agreement for the entire issued share capital of Electrical and Electronics Testing LUX Holding SARL, a private limited liability company, and certain of its subsidiaries and related companies. The transaction includes a “locked box” structure, subject to customary leakage prohibitions (with customary permitted leakage). The purchase price will be comprised of an enterprise value of €575 million, subject to certain customary adjustments, and additional consideration of €41 thousand per day from September 1, 2025, through the closing date of the transaction. The sale and purchase agreement provides that, in the event of termination as a result of ULH’s failure to submit certain required regulatory filings within the prescribed deadlines, or certain conditions not being satisfied by October 13, 2027, ULH will pay a break fee of €34.5 million. The break fee is not payable to the extent termination of the sale and purchase agreement results from certain specified breaches by the seller. UL Solutions expects to fund the transaction with cash on hand, including proceeds from its portfolio management activities, and available capacity under its revolving credit facility. The transaction is expected to close in the fourth quarter of 2026, subject to the satisfaction of customary closing conditions, including applicable regulatory approvals.

In April 2026, UL Solutions entered into a definitive agreement with Montagu, a private equity firm, and certain other parties to sell its approximately 28% shareholding of DQS Holding GmbH (“DQS”), a global management system assessment company headquartered in Germany. UL Solutions expects to receive approximately €105 million in cash consideration, subject to customary post-closing adjustments, a portion of which will be held in escrow to cover certain indemnification obligations under the share purchase and transfer agreement. UL Solutions accounts for DQS using the equity method and DQS financial results are not consolidated within UL Solutions' consolidated financial statements. The sale is expected to be completed in the second half of 2026, subject to the satisfaction of customary closing conditions, including applicable regulatory approvals.

## Supplemental Information

# Underwriters Laboratories Inc.
## Supplemental Information - Schedule of Expenditures of Federal Awards
## For the Year Ended December 31, 2025

| Federal Grantor / Program Title | Assistance Listing Number | Award/Pass Through Number | Pass-Through Grantor | Federal Expenditures | | | Passed Through to Subrecipients |
|---|---|---|---|---|---|---|---|
| | | | | Direct | Pass-through | Total Federal Expenditures | |
| **Research and Development Cluster** | | | | | | | |
| *Department of Health and Human Services* | | | | | | | |
| **National Institutes of Health** | | | | | | | |
| **Oral Diseases and Disorders Research** | | | | | | | |
| Early Periodontal Health Impacts of Electronic Nicotine Delivery System (ENDS) Usage | 93.121 | 1R56DE031814-01 | N/A | $ 118,268 | $ — | $ 118,268 | $ 86,826 |
| **Subtotal AL# 93.121** | | | | 118,268 | — | 118,268 | 86,826 |
| | | | | | | | |
| *Department of Energy* | | | | | | | |
| **Advanced Research Projects Agency - Energy** | | | | | | | |
| Framework for Safety Evaluation of EV's 4ALL Batteries | 81.135 | DE-AR0001722 | N/A | 897,653 | — | 897,653 | 603,459 |
| **Subtotal AL# 81.135** | | | | 897,653 | — | 897,653 | 603,459 |
| | | | | | | | |
| *Department of Energy* | | | | | | | |
| **Conservation Research and Development** | | | | | | | |
| Development, Verification, Certification, and Deployment of the integrated Shredding and Electrolyte Removal System for Consumer Electronics Batteries Transportation and Recycling | 81.086 | DE-EE011362 DE-EE0011362-UL | Expost Technologies Inc | — | 221,743 | 221,743 | — |
| **Subtotal AL# 81.086** | | | | — | 221,743 | 221,743 | — |
| | | | | | | | |
| *Department of Homeland Security* | | | | | | | |
| **FEMA Assistance to Firefighters Grant** | | | | | | | |
| *Community Risk Reduction-Public Education Take C.H.A.R.G.E. of Battery Safety Phase Two* | 97.044 | EMW-2023-FP-0058 | N/A | 289,858 | — | 289,858 | — |
| **Subtotal AL# 97.044** | | | | 289,858 | — | 289,858 | — |
| | | | | | | | |
| *National Science Foundation* | | | | | | | |
| **Stem Education** | | | | | | | |
| *Community-Identified Risk and Resilience: Rural Disaster Preparedness (Co-ID)* | 47.076 | 251684 | N/A | 5,533 | — | 5,533 | — |
| **Subtotal AL# 47.076** | | | | 5,533 | — | 5,533 | — |
| | | | | | | | |
| **Total Research and Development Cluster** | | | | **1,311,312** | **221,743** | **1,533,055** | **690,285** |
| **Total Federal Expenditures** | | | | **$ 1,311,312** | **$ 221,743** | **$ 1,533,055** | **$ 690,285** |

The accompanying notes are an integral part of this schedule.

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of the Company and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

The Company utilizes the predetermined facilities and administrative rate as agreed upon in their Nonprofit Rate Agreement with the Federal Government when charging indirect costs, rather than the de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

**2. UL LLC Federal Expenditures**

UL LLC, a majority-owned for-profit subsidiary of the Company, is the only subsidiary that had federal expenditures in 2025. UL LLC evaluates its federal expenditures independently of the federal expenditures incurred by other entities within the Company. UL LLC has not met the expenditure threshold for an audit in accordance with the Department of Energy guidance for for-profit entities. The accompanying Schedule includes only the awards granted to Underwriters Laboratories Inc., not to UL LLC. However, the accompanying financial statements are prepared on a consolidated basis, and they include federal expenditures of both the Company and UL LLC.

# Part II
# Reports on Internal Controls and on Compliance

**Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees of Underwriters Laboratories Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (except as noted below), the consolidated financial statements of Underwriters Laboratories Inc. and its subsidiaries (the “Company”), which comprise the consolidated balance sheet as of December 31, 2025 and the related consolidated statements of changes in net assets and of cash flows for the year then ended, including the related notes (collectively referred to as the “consolidated financial statements”), and have issued our report thereon dated May 12, 2026.

The PricewaterhouseCoopers affiliated firm in China performed audit procedures for UL - CCIC Company Limited, comprising approximately 2% of total assets of the Company for the year ended December 31, 2025. Personnel of the firm, excluding United States personnel, do not participate in a continuing education program that fully satisfies the requirement set forth in Chapter 4, paragraphs 4.16-4.18 of *Government Auditing Standards*. However, the firm does participate in a continuing education program applicable to their country.

Further, the PricewaterhouseCoopers affiliated firm referred to above does not have an external quality review by an unaffiliated audit organization as required by Chapter 5, paragraphs 5.60-5.62 of *Government Auditing Standards*, since no such program is offered by a professional organization in the country. However, this office participates in the PricewaterhouseCoopers worldwide internal control review program, which requires the office to be periodically subjected to an extensive quality control review by partners and managers from other PricewaterhouseCoopers affiliated firms.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Company’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant*

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*deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Company's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Company's Response to Findings**

*Government Auditing Standards* requires us to perform limited procedures on the Company's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Company's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Chicago, Illinois
May 12, 2026

# Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

To the Board of Trustees of Underwriters Laboratories Inc.

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited Underwriters Laboratories Inc.'s (the "Company") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Company's major federal programs for the year ended December 31, 2025. The Company's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Company's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Company's federal programs.

### *Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Company's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Company's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Chicago, Illinois
May 12, 2026

# Part III
# Schedule of Findings and Questioned Costs

## Section I. Summary of Auditor's Results

### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

| | | |
|---|---|---|
| • Material weakness(es) identified? | ______ Yes | __X__ No |
| • Significant deficiency identified that are not considered to be material weakness(es)? | __X__ Yes | ______ None Reported |
| • Noncompliance material to financial statements noted? | ______ Yes | __X__ No |

### Federal Awards

Internal control over major programs:

| | | |
|---|---|---|
| • Material weakness(es) identified? | ______ Yes | __X__ No |
| • Significant deficiency identified that are not considered to be material weakness(es)? | ______ Yes | __X__ None Reported |

Type of auditor's report issued on compliance for major programs: Unmodified

| | | |
|---|---|---|
| Any audit findings disclosed that are required to be reported in accordance with section 200.516 (a) of the OMB Uniform Guidance? | ______ Yes | __X__ None Reported |

### Identification of major programs

| Federal Assistance Listing Number(s) | Name of Federal Program or Cluster |
|---|---|
| 93.121, 81.135, 81.086, 97.044, 47.076 | Research & Development Cluster |

Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000

| | | |
|---|---|---|
| Auditee qualified as low-risk auditee? | __X__ Yes | ______ No |

## Section II. Financial Statement Findings

### 2025-001: User access review (Significant Deficiency)

**Criteria**

As part of our audit, we are required to obtain an understanding of internal controls relevant to the audit, which includes the end-to-end process around key financial reporting cycles and evidence the implementation of relevant controls and the related IT dependencies (AU-C section 315).

**Condition**

As part of the year-end aggregation of individual IT control deficiencies, management identified that multiple user access review control deficiencies aggregate to a significant deficiency. While effective controls existed that monitored access provisioning and termination for certain relevant systems, management did not effectively perform the periodic access reviews for several of the financially significant systems, including not retaining associated evidence, incomplete reviews, and insufficient segregation of duties within the review process. This is a repeat of finding 2024-001.

**Cause**

The control performers did not either understand or consistently perform the required attributes of the access reviews for multiple financial applications.

**Effect**

The aggregation of control deficiencies in user access review results in increased risk of potential inappropriate access that could allow the users to circumvent established controls or pose segregation of duties conflicts.

**Recommendation**

Management should review the internal policy and procedures for performing access reviews for financially significant systems to confirm that it clearly communicates the requirements, including the need to validate and evidence a complete population of associated users, timeliness of the review, and segregation of duties considerations for the reviewer. Further, these requirements should be formally reinforced with all user access review performers to ensure they fully understand expectations and the policy.

**Management's Views and Corrective Action Plan**

Management’s views and corrective action plan are included at the end of this report after the summary of status of prior audit findings.

## Section III. Federal Award Findings and Questioned Costs

None noted.

**2024-001: User access review (Significant Deficiency)**

As part of the year-end aggregation of individual IT control deficiencies, management identified that multiple user access review control deficiencies aggregate to a significant deficiency. While effective controls existed that monitored access provisioning and termination for certain relevant systems, management did not effectively perform the periodic access reviews for several of the financially significant systems, including not retaining associated evidence, incomplete reviews, and insufficient segregation of duties within the review process.

**Recommendation**

PwC recommended that management review the internal policy and procedures for performing access reviews for financially significant systems to confirm that it clearly communicates the requirements, including the need to validate and evidence a complete population of associated users, timeliness of the review, and segregation of duties considerations for the reviewer. Further, PwC recommend these requirements be formally reinforced with all user access review performers to ensure they fully understand expectations and the policy.

**Status Update**

Additional actions were implemented such as:

- Identifying systems in scope earlier in the process (COMPLETE)
- Retraining existing and new control owners (COMPLETE)
- Implementing a 2025 Performance Management goal (COMPLETE)
- Conducting pre-emptive internal reviews (COMPLETE)
- Implementing improved metrics and monitoring (COMPLETE)

This finding was open throughout 2025. As of December 31, 2025, Management completed the corrective action plan outlined in 2024, and this finding is closed.

Research Institutes

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**Finding Number:** 2025-001: User access review
**Anticipated Completion Date:** December 2025
**Responsible Contact Person:** Tolulope Osisanya (IT Senior Manager)

**Planned Corrective Action:**
Management agrees with the recommendation. Management has completed the corrective action plan as of December 31, 2025.

The following actions were completed:

- Identify systems in scope earlier in the process (COMPLETE)
- Retrain existing and new control owners (COMPLETE)
- Implement a 2025 Performance Management goal (COMPLETE)
- Conduct pre-emptive internal reviews (COMPLETE)
- Implement improved metrics and monitoring (COMPLETE)

As of December 31, 2025, this finding was closed.

Doris Concepcion

Doris Concepcion,
Interim Chief Financial Officer
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